



**GIBB RIVER**  
DIAMONDS



*Jim Richards at the Neta Lodes Gold Discovery*

**ANNUAL REPORT 2020**

**GIBB RIVER DIAMONDS LIMITED**  
**ABN 51 129 158 550**

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## CORPORATE DIRECTORY

### Directors

Jim Richards – Chairman  
 Tom Reddicliffe – Non-Executive Director  
 Grant Mooney – Non-Executive Director &  
 Company Secretary

**ASX Code:** GIB

### Website & Email

Website: [www.gibbriverdiamonds.com](http://www.gibbriverdiamonds.com)  
 Email: [info@gibbriverdiamonds.com](mailto:info@gibbriverdiamonds.com)

### Principal Place of Business

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### Share Registry

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### Auditors

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 Email: [mailbox@hlbwa.com.au](mailto:mailbox@hlbwa.com.au)



Dear fellow shareholder,

I am pleased to present the Annual Report of Gibb River Diamonds Limited ('GIB' or the 'Company') for the year ended 30 June 2020.

The most significant recent event occurred just after the end of the financial year, with the acquisition of an Option<sup>1</sup> to purchase 100% of the Edjudina Gold Project (E31/1179) located in the heart of the Eastern Goldfields of WA.

A maiden drilling campaign at Edjudina has resulted in a major new shallow gold discovery named Neta Lodes. Drill intersections include 36m at 4.0 g/t Au from 4m with the mineralisation open to the north, south and at depth. Further drill hits at the Gawler Prospect also require follow up. With 13km of strike of historic workings, the Edjudina project has considerable potential for further discoveries.

It is a credit to the team at GIB that from the time of the Edjudina acquisition to announcing this major discovery was less than three months. This includes database build and check, target selection, field mapping and sampling, permitting, drilling, assaying, and assessment.

GIB also operates its 100% owned Ellendale Diamond Project in the West Kimberley, WA. This project includes the advanced Blina Prospect which represents an exciting opportunity to produce high value Fancy Yellow diamonds.

A busy year has seen a considerable amount achieved at Ellendale, especially the acquisition of the leases over the area which covers the two lamproite pipes (E4 and E9) which have in previous years been significant diamond producers. Also at the Ellendale Diamond Project, the alluvial Blina Prospect is fully permitted and 'shovel ready'.

The Company is looking forward to multiple aggressive drilling campaigns at the Edjudina Gold Project and to progressing the Ellendale Diamond Project in the exciting year ahead.

Yours Sincerely



Jim Richards  
Executive Chairman

### 1.0 Edjudina Gold Project

### GIB Option to Acquire 100%

Subsequent to the end of the 2020 financial year, GIB acquired an Option<sup>1</sup> to purchase 100% of the Edjudina Gold Project (E31/1179), in the heart of the Eastern Goldfields of WA. A recent drilling campaign was conducted on this property which resulted in a major new shallow gold discovery named Neta Lodes, drill results and key points include:

- GIB drill intersections at the new ‘Neta Lodes’ discovery include (in grams per tonne Au):
 

36m at 3.97g/t	from 4m	(GAC 13)
18m at 3.10g/t	from 28m	(GAC 11)
24m at 1.44g/t	from surface	(GAC 08)
8m at 2.91g/t	from 26m	(GAC 03)
14m at 1.20g/t	from 1m	(GAC 06)
21m at 1.74g/t	from 38m	(GAC 14)
18m at 1.15g/t	from 25m	(GAC 09)
1m at 35.0g/t	from 7m	(GAC 22)
29m at 0.86g/t	from surface	(GAC 19)
- The mineralisation is open to the north, south and at depth, further drilling is planned
- The mineralisation is hosted in a soft and friable argillic and hematite/limonite altered phyllite, no sulphides were observed
- Base of oxidation at Neta Lodes is 50 to 60m TVD

Figure 1: Edjudina Gold Project – Location Map

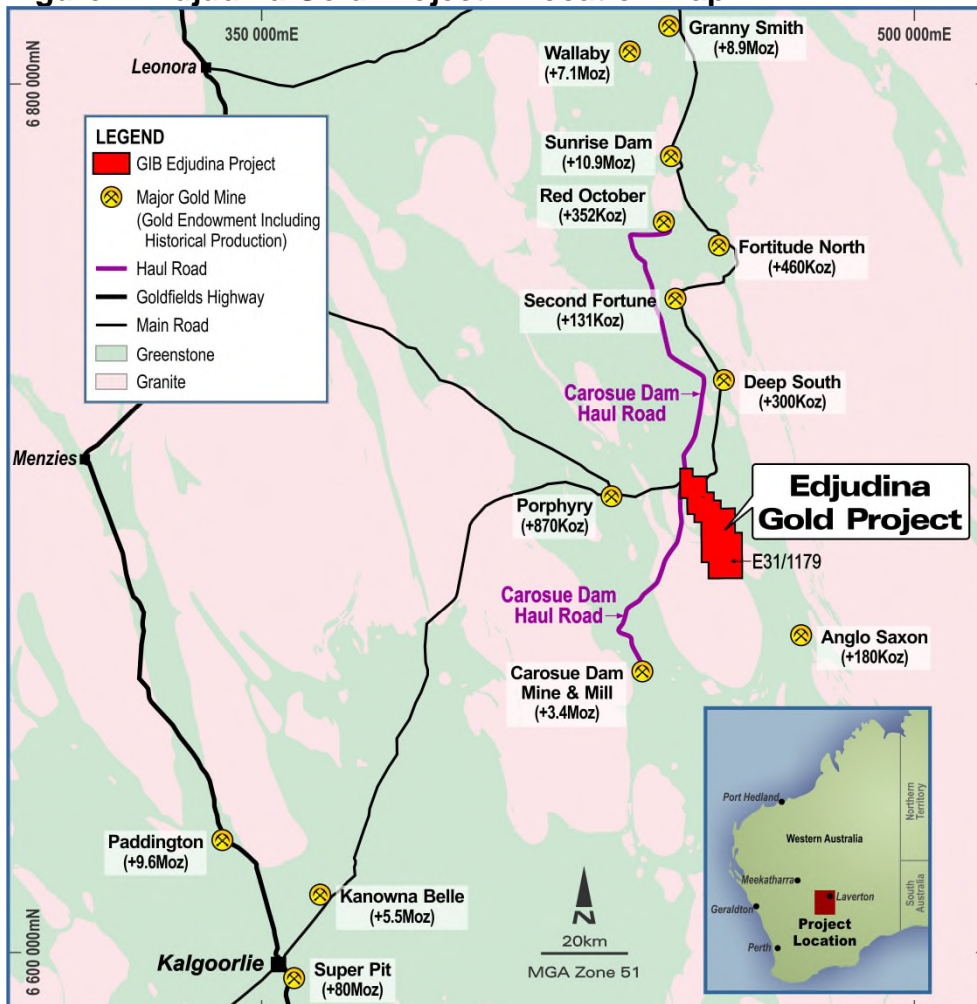
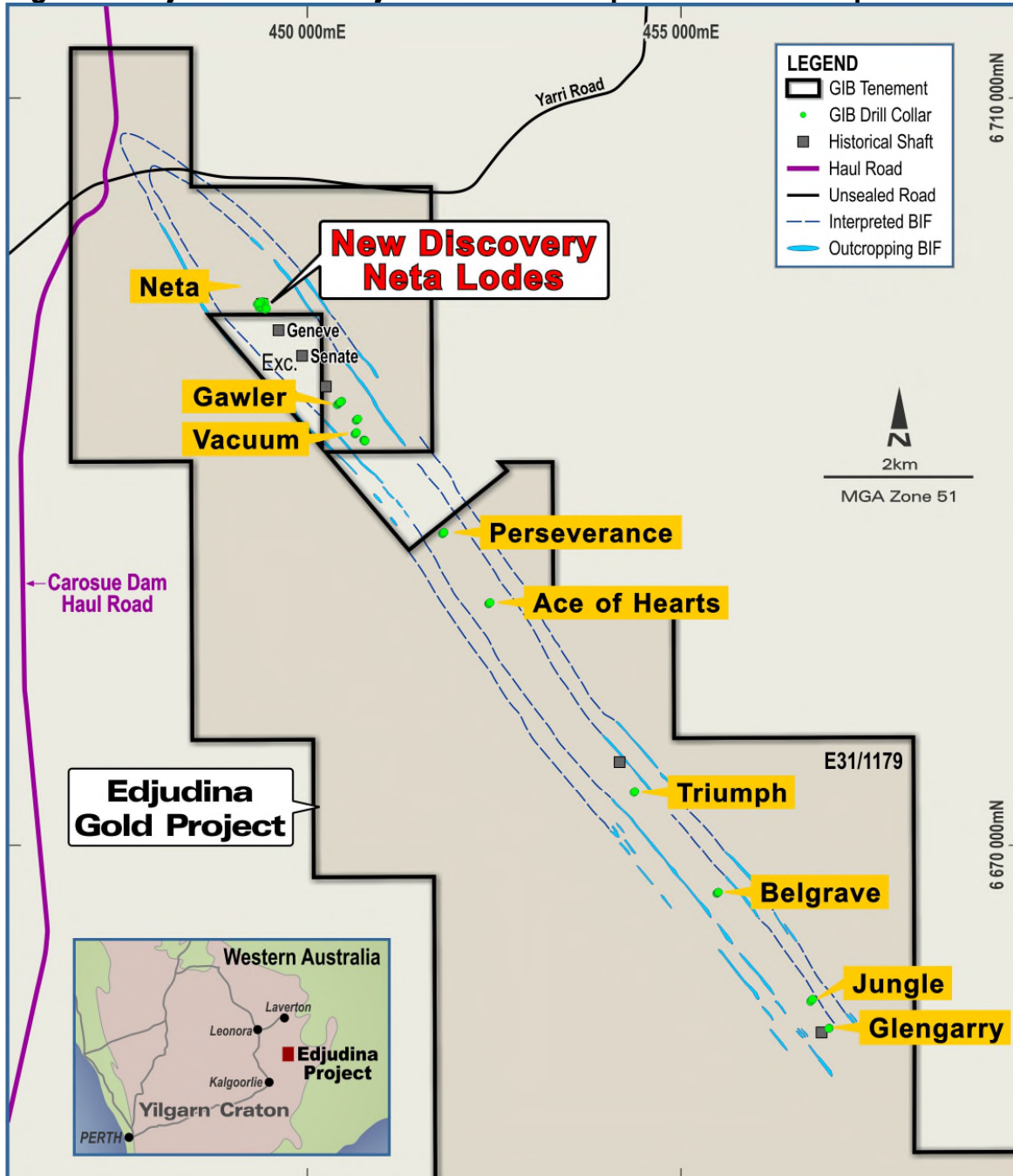


Figure 2: Edjudina Gold Project – Drilled Prospects Location Map



## 2.0 Neta Lodes Discovery - Geology and Mineralisation

The new Neta Lodes gold discovery is centered on a series of lodes mainly to the west of the historic Neta mineshaft. These lodes are named the Lasker; Anand; Carlsen; Fischer; Smyslov; Petrosian and Tal Lodes, after former World Chess Champions.

This newly discovered lode mineralisation is named the 'Neta Lodes' and is markedly different from the material reportedly mined at the historic underground Neta gold mine and also as reported from workings on the rest of the Edjudina Line, which was a series of high grade quartz boudins with minor gangue mineralisation<sup>2</sup>.

The Neta Lodes mineralisation is hosted in phyllite with strong argillic-hematite-limonite alteration, there is minor quartz veining and silica flooding. The material is predominantly highly fissile and can be easily broken up in the hand. Despite the strong alteration, the original phyllitic texture often remains and the mineralisation appears to be a replacement style of the calcareous (and in parts carbonaceous?) phyllite, with rare overprinted quartz veining.

Figure 3: Plan view of the new 'Neta Lodes' gold discovery at Ejudina

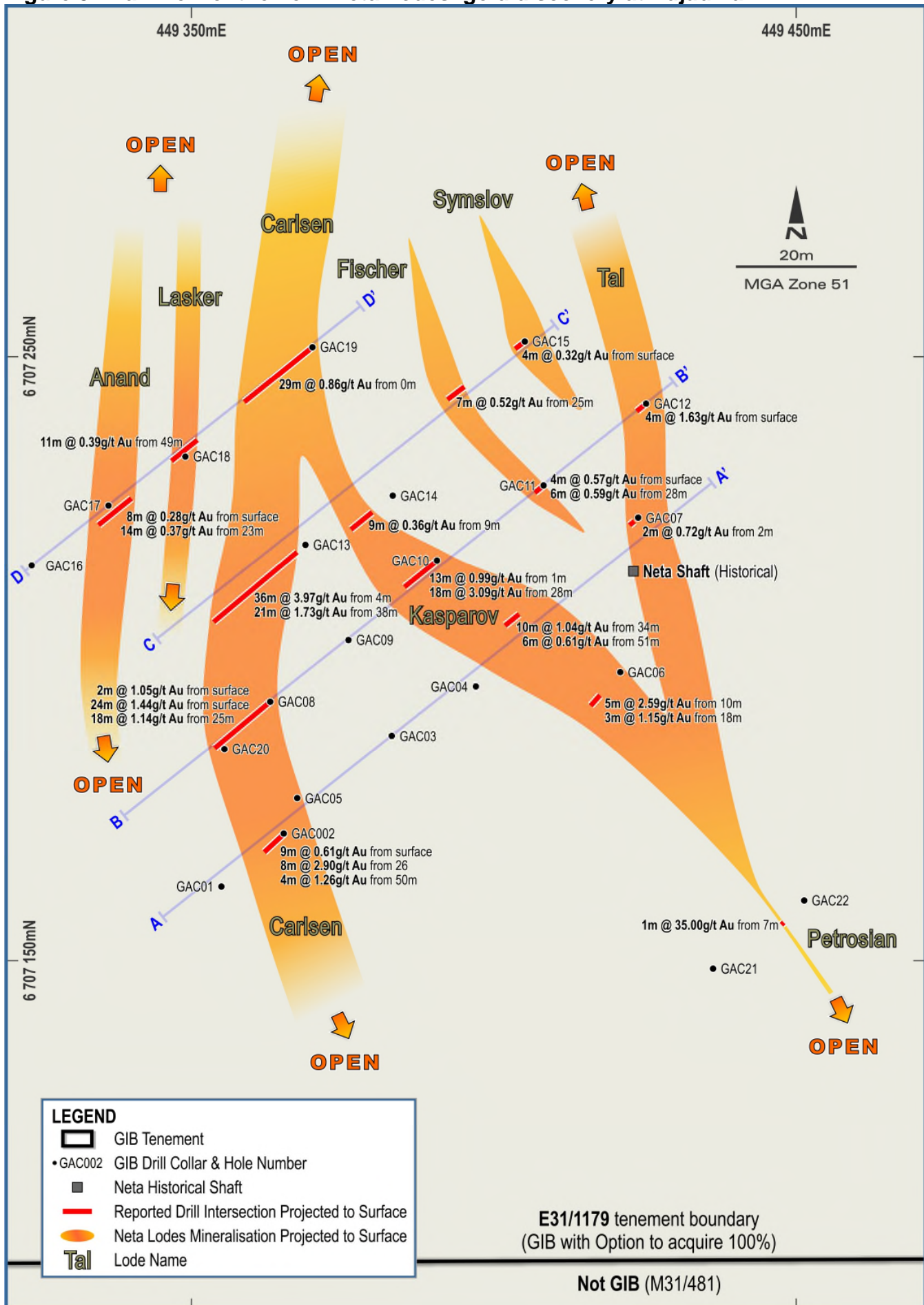
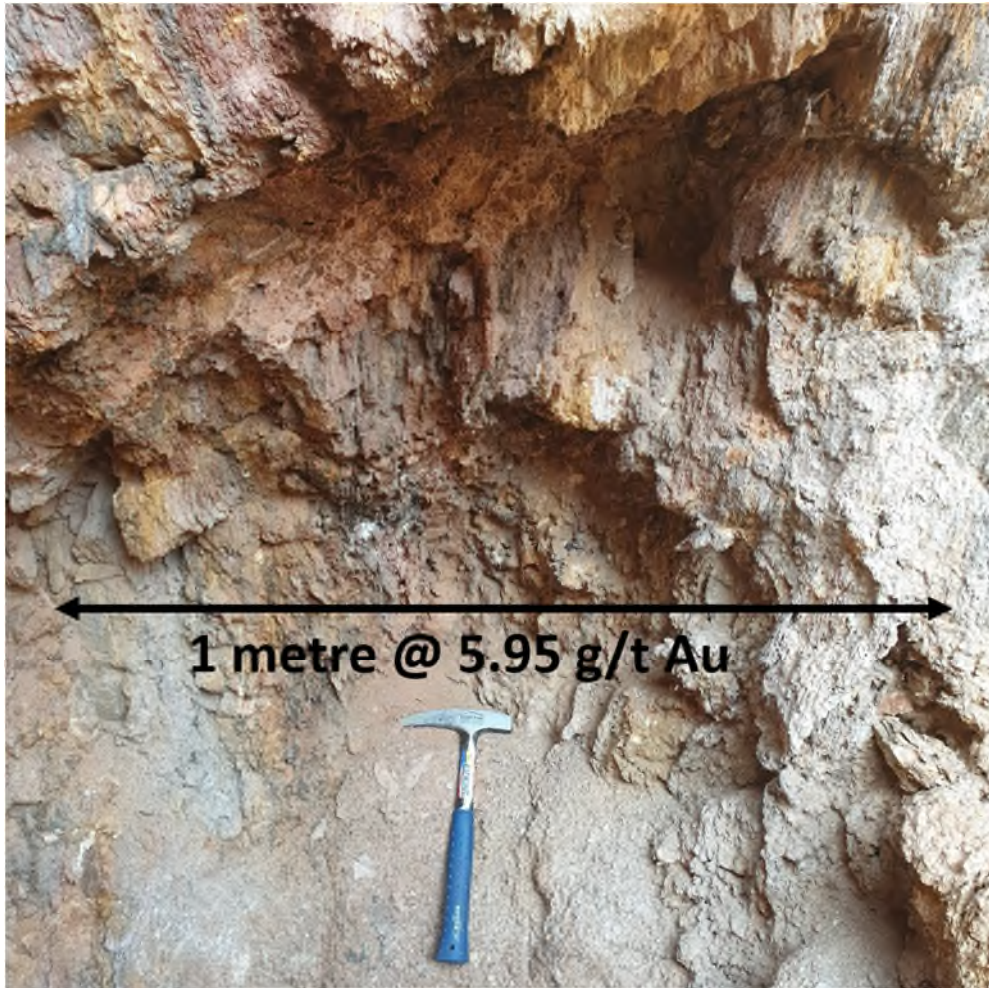


Photo 1 was taken in an old-timers pit and illustrates the mineralisation style. In these and other nearby workings, the dip is sub-vertical. Pits such as these at Neta were most helpful in evaluating the prospectivity of the area for drill targeting.



**Photo 1:**

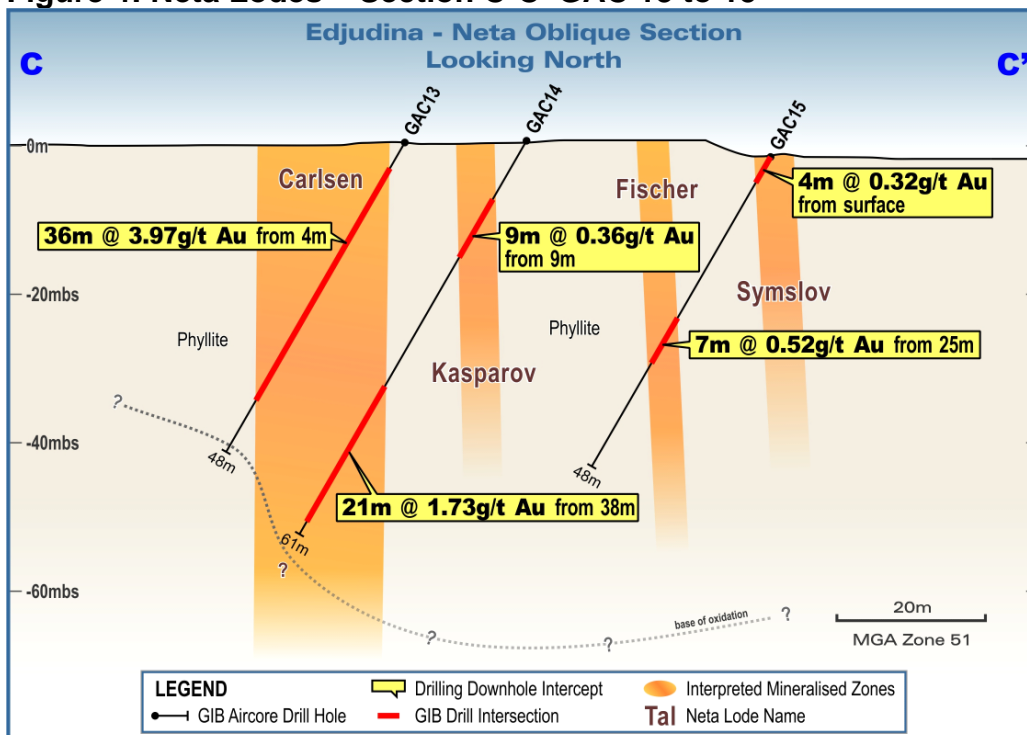
**Neta Lodes**

Channel sample in old timers pit assayed 1 metre at 5.95g/t

Note the strong argillic/limonite alteration

This is the up dip extension of the Carlsen Lode

**Figure 4: Neta Lodes – Section C-C’ GAC 13 to 15**



### 3.0 Ellendale Diamond Project

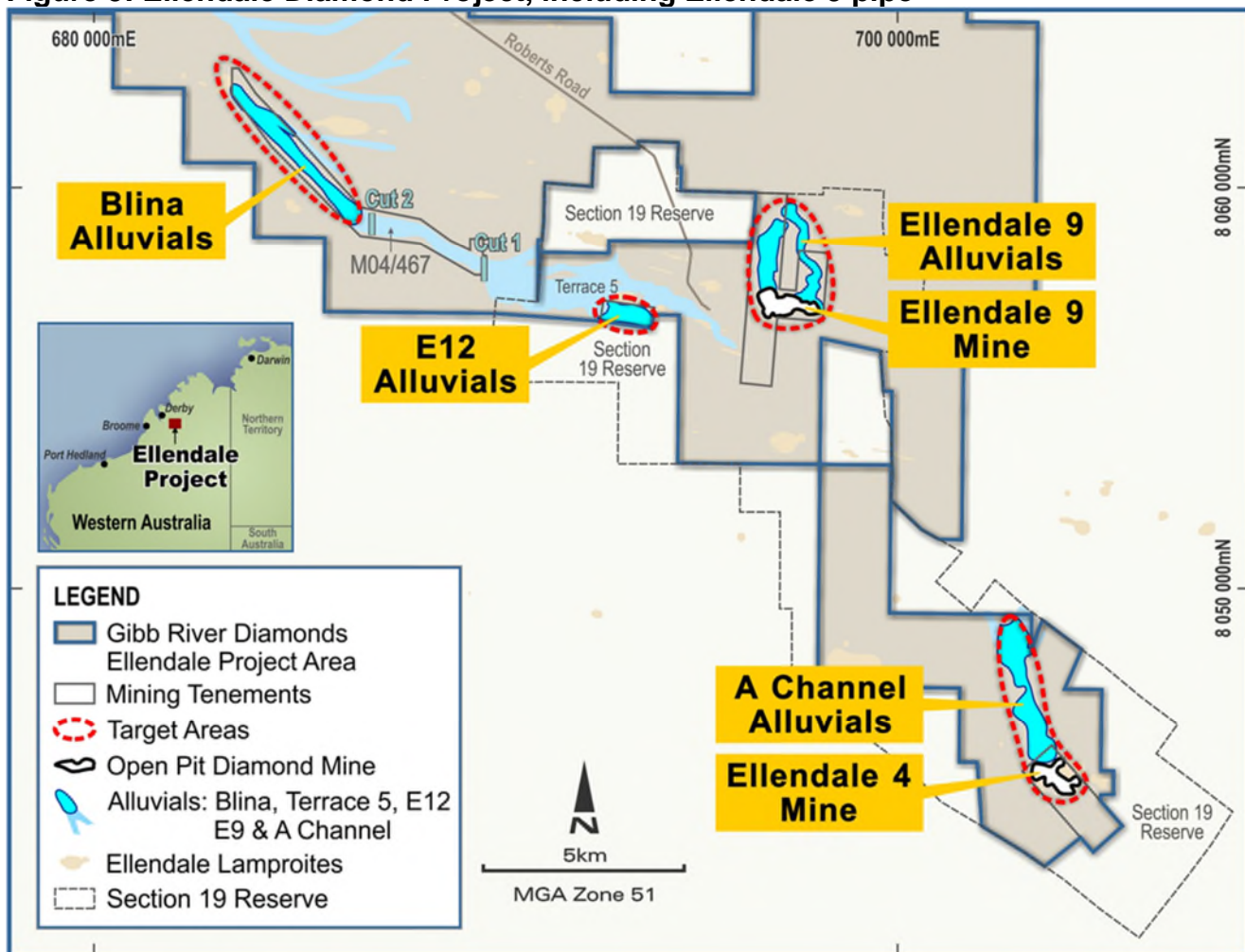
GIB 100%

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

The most advanced prospect at Ellendale is the Blina Alluvial Prospect, which is fully permitted, the major processing plant equipment has already been purchased and the project is ‘shovel ready’. The project consists of a diamond bearing alluvial palaeochannel with channel widths of 200m to 500m<sup>1</sup>. The largest diamond recovered to date from this channel weighed 8.43 carats, with high quality stones larger than two carats common. A significant number of the diamonds are high value Fancy Yellows.

Further information regarding grades and historical production from the Blina Project alluvials is available on the GIB website and previous ASX releases<sup>4 to 7</sup>.

**Figure 5: Ellendale Diamond Project, including Ellendale 9 pipe**



### 3.1 Ellendale Diamond Project Leases Acquisition

During the second quarter, GIB was invited by the Honourable Bill Johnston, WA Minister for Mines, to apply for various GIB nominated mining leases over the Ellendale Diamond Mine and Project area under the EOI process run by the State Government. These leases were applied for under the due process.



The application was successful and this acquisition delivered GIB leases over the Ellendale Diamond Project through the pegging of standard tenements and brings with it no environmental or other legacy liabilities.

These leases cover the most prospective ground at Ellendale (Figure 1), including the two previous hard rock mines at E4 and E9 and all of the previous extensive alluvial mines, workings and prospects. GIB is working towards the grant of the key tenements as swiftly as possible.

### 3.2 Ellendale Diamond Project: Blina Prospect Trenching Operations

In mid-November 2019, the Company completed a successful follow-up trenching program which took place at the Blina Diamond Prospect, a part of the larger Ellendale Diamond Project. The aims of this program were to:

- Confirm the shallowest target gravels for follow up bulk sampling.
- Correlate the gravel bedrock occurrences with GPR results
- To ascertain the efficacy of GPR as a mapping technique of alluvial bedrock contours
- Provide access to alluvial gravels for viewing by the investor site visit party.

A total of five trenches were excavated for 64 metres in length. All the trenches have been logged and recorded.

These trenching operations successfully targeted the shallowest areas of the highly prospective Terrace 5 gravels at Blina. All of the trenches encountered prospective gravels at depths of between 0.4 and 1.1 metres from surface with gravel thicknesses of between 0.5 and 2.0 metres. No water was encountered in any of the trenches.

The Blina Project is now ready for the commencement of bulk sampling and trial mining operations, all necessary permitting is in place.

#### Phase 2 Trenching Program 2

	
<p>Excavating Trench 13</p>	<p>Investor site visit: viewing shallow alluvial gravels at Trench 13</p>

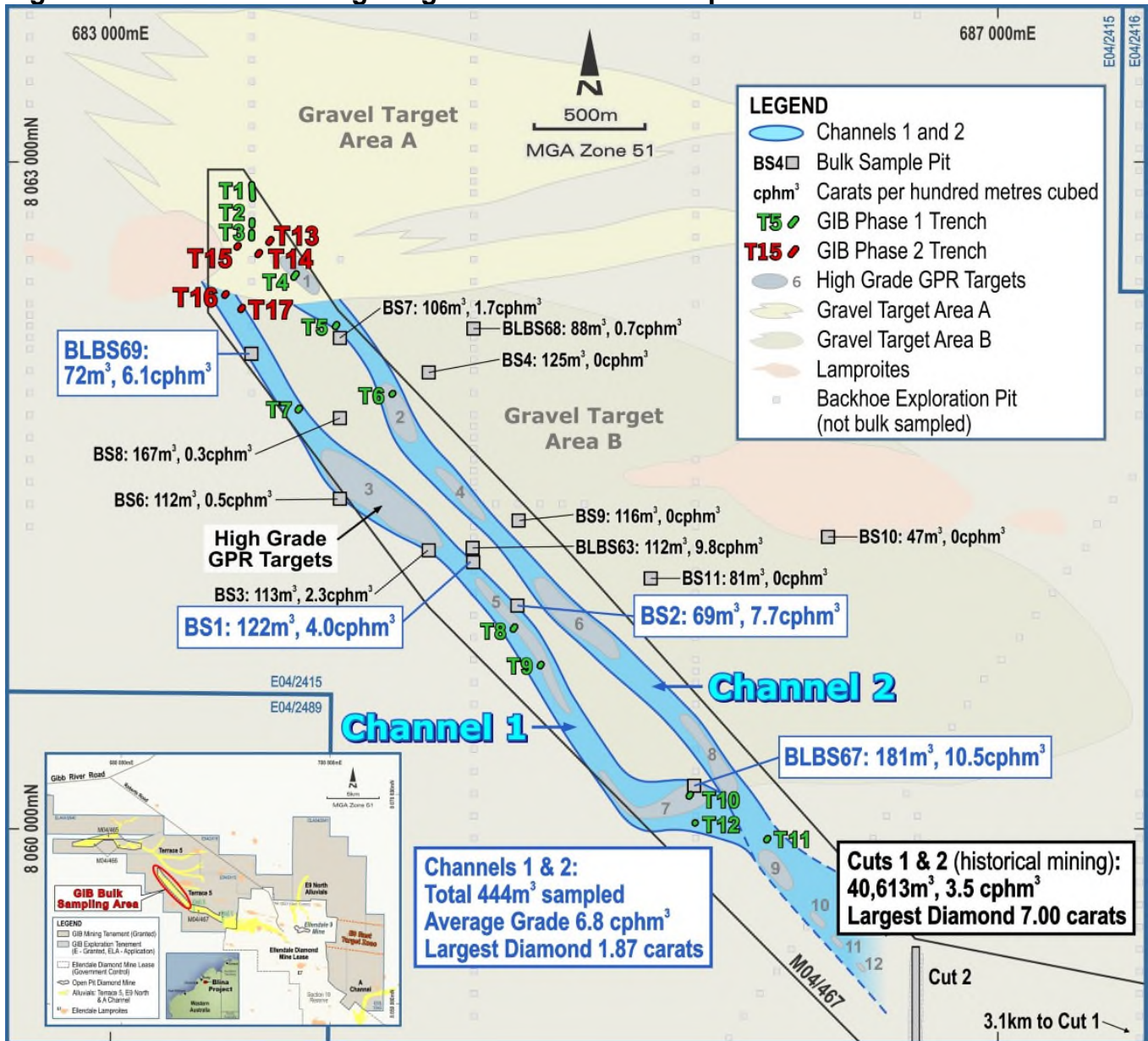


Trench 17: Shallow alluvial gravels extend from 1-3 metres below surface



Trench 17: Mottled Zone laterite overprint of alluvial gravels. Gravels include saprolitised clasts

Figure 6: Phase 2 Trenching Program at the Blina Prospect



#### **4.0 GIB Gold Royalty Interests**

Shareholders are reminded that GIB holds a 1% Net Smelter Royalty over the following West Australian gold projects:

- Bulgera Gold Project (E52/3276 and E52/3316): operated by Norwest Minerals Limited (ASX 'NWM') who announced (8 April 2020) a JORC Indicated and Inferred Resource of 2.92 million tonnes grading 1.0 g/t for 93,880 ounces Au on the Project area; and
- Comet Gold Project (near Cue, E20/908): operated by Accelerate Resources Limited (ASX: 'AX8') who announced (2 July 2020) an upcoming drill program at the Project and;
- Mount Monger Project (E25/525): operated by Accelerate Resources Limited (ASX: 'AX8').

GIB will continue to follow the work programs on these quality projects and to report on any resulting benefits that may accrue to the Company.

#### **5.0 Summary**

GIB believes there is excellent potential for the Ellendale Project to deliver a profitable diamond mining operation and we continue to move towards our goal of turning this Project into a producer. The hiatus created by the Covid-19 situation has provided an opportunity to further our tenements on the original Ellendale mining lease towards grant, which complement out granted and fully permitted mining leases on the Blina Prospect.

The Company looks forward to advancing the Ellendale Diamond Project in the upcoming year.

Jim Richards  
Executive Chairman

Enquiries To: Mr Jim Richards +61 8 9422 9555

**References:**

<sup>1</sup>GIB Acquires Option to Purchase the Historic and High Grade Edjudina Gold Project in the Eastern Goldfields of WA; GIB ASX Release dated 16 July 2020

<sup>2</sup>Triumph Project Exploration Report; Nexus Minerals Limited dated 15 August 2019

<sup>3</sup>Major Drilling discovery at Edjudina; GIB ASX Release dated 8 October 2020

*For a further list of references for the Edjudina Gold Project used in previous releases refer to GIB ASX Announcement dated 25 August 2020*

<sup>4</sup>Further detailed information including the Table 1 (JORC Code, 2012 Edition) and references are available on the GIB ASX Release dated 9 October 2015

<sup>5</sup>Blina Diamond Project, Gamechanger GPR Survey; GIB ASX Release dated 18 October 2017,

<sup>6</sup>Trenching Discovers New Gravel Targets at Blina; GIB ASX Release dated 6 August 2018

<sup>7</sup>POZ to Bid for the Ellendale Diamond Mine; GIB ASX Release dated 4 September 2018

Bulletin 132 (Geological Survey of Western Australia); The kimberlites and lamproites of Western Australia by A.L. Jaques, J.D. Lewis and C.B. Smith.

## Appendix A – Mineral Resources and Ore Reserves (MROR) Statement

### Summary

This statement represents the Mineral Resources and Ore Reserves (MROR) statement for Gibb River Diamonds Limited as at 30 June 2020.

This MROR statement has been compiled and reported in accordance with the guidelines of the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2012 JORC Code).

This statement is to be reviewed and updated annually in accordance with Section 15 of the 2012 JORC Code. The nominated annual review date for this MROR statement is 30 June 2020. The information in this statement has been extracted from the relevant reports as indicated below in each Mineral Resource table. The Company's Mineral Resources remained unchanged in 2020 at Highland Plains.

The Highland Plains Mineral Resource Estimates (MRE)'s were prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Company confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified.

### Mineral Resources

The Highland Plains Phosphate Project in the NT has a JORC Code (2004) Inferred Resource of 53 million tonnes at 16% P<sub>2</sub>O<sub>5</sub> with a lower grade cut-off of 10% P<sub>2</sub>O<sub>5</sub>.

Contained within the Global Resource (above) is estimated an Inferred Resource of 7million tonnes at 23% P<sub>2</sub>O<sub>5</sub> above a 20% P<sub>2</sub>O<sub>5</sub> cut-off, confined to the western portion of the Global Resource.

The Project is 100% owned by GIB and has no private royalties.

*The Highland Plains Mineral Resource was first reported [31 March 2009](#) in accordance with the 2004 JORC Code (available to view at [www.gibbriverdiamonds.com](http://www.gibbriverdiamonds.com)). The original report was prepared by Cube Consulting Pty Ltd.*

### Governance Summary

The Mineral Resource estimate listed in this report are subject to GIB's governance arrangements and internal controls. GIB's Mineral Resource estimate is derived by a Competent Person (CP) with the relevant experience in the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking and has been classified and reported in accordance with the JORC Code.

## Competent Persons Statement and Disclaimer

The information in this report that relates to previously reported exploration results at the Ellendale Diamond Project is based on information compiled by Mr. Jim Richards who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr. Richards is a Director of Gibb River Diamonds Limited. Mr. Richards has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Richards consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The Information in this report that relates to the Highland Plains Mineral Resource is based on information compiled by Jim Richards who is a member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Jim Richards is a director of Gibb River Diamonds Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a competent Person as defined in the December 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Richards consents to the inclusion in this report of the Information, in the form and context in which it appears.

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.

It should not be assumed that the reported Exploration Results will result, with further exploration, in the definition of a Mineral Resource.

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company’s prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

## Appendix B - Interests In Mining Tenements

Table 1: Western Australia

Lease	State	Status	Held at end of quarter %	Acquired during the quarter %	Disposed of during the quarter %	Beneficial interests in farm-in or farm-out agreements at the end of the quarter
E31/1179	WA	Granted	-	-	-	Option to acquire 100%
E04/2415	WA	Granted	100%	0%	0%	Granted
E04/2416	WA	Granted	100%	0%	0%	Granted
E04/2665	WA	Application	100%	0%	0%	Application
E04/2666	WA	Application	100%	0%	0%	Application
E04/2667	WA	Application	100%	0%	0%	Application
E04/2668	WA	Application	100%	0%	0%	Application
M04/465	WA	Granted	100%	0%	0%	Granted
M04/466	WA	Granted	100%	0%	0%	Granted
M04/467	WA	Granted	100%	0%	0%	Granted
M04/475	WA	Application	100%	0%	0%	Application
M04/476	WA	Application	100%	0%	0%	Application
M04/477	WA	Application	100%	0%	0%	Application
P04/277-287	WA	Applications	100%	0%	0%	Applications
E69/2820	WA	Granted	20%	0%	0%	JV with Alloy Resources Limited
L04/98	WA	Granted	100%	0%	0%	Granted
L04/100	WA	Granted	100%	0%	0%	Granted
L04/105	WA	Granted	100%	0%	0%	Granted
L04/106	WA	Granted	100%	0%	0%	Granted
L04/107	WA	Granted	100%	0%	0%	Granted
L04/115	WA	Application	100%	0%	0%	Applications
L04/116	WA	Granted	100%	100%	0%	Granted

Table 2: Northern Territory

Lease	Mineral Field	Location	Status	Held at end of quarter %	Acquired during the quarter %	Disposed of during the quarter %	Beneficial interests in farm-in or farm-out agreements at the end of the quarter
EL25068	NT	Highland Plains	Granted	100%	0%	0%	GIB 100%:



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**GIBB RIVER DIAMONDS LIMITED**  
**ABN 51 129 158 550**

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**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**



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## 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](http://www.gibbriverdiamonds.com)

Email: [info@gibbriverdiamonds.com](mailto:info@gibbriverdiamonds.com)

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

**DIRECTORS' REPORT**  
**30 JUNE 2020**

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 2020. 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 23 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, Barra Resources Limited, Accelerate Resources Limited, Riedel Resources Limited and Talga Resources Limited. Mr Mooney is a member of the Chartered Accountants Australia and New Zealand.

**MR TOM REDDICLIFFE** (Appointed 24 March 2020)

**BSc (Hons), MSc (Geol), FAusIMM**

*Non-executive Director*

Tom Reddicliffe is a geologist with some 35 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 MARK THOMPSON** (Resigned 24 March 2020)

**MAIG, MSEG**

*Non-executive Director*

**DIRECTORS' REPORT**  
**30 JUNE 2020**

**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
	Barra Resources Limited	29 November 2002 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
	SRJ Technologies Limited	2 June 2020 to present
Mark Thompson (resigned)	Talga Resources Limited	July 2010 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	Ordinary Shares purchased during year	Options (Unlisted)	Options granted during year
James Richards (i)	36,549,735	-	3,000,000	-
Grant Mooney (ii)	9,273,888	-	1,000,000	-
Tom Reddicliffe	Nil	Nil	Nil	Nil

- (i) James Richards holds 32,783,068 shares in his own name. Llangurig Super Pty Ltd <Jim Richards Super Fund A/c>, in which James Richards is a director and beneficiary holds 3,766,667 shares and 3,000,000 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 1,145,000 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 1,000,000 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 2020 was \$521,620 (2019: \$880,961).

**DIRECTORS' REPORT**  
**30 JUNE 2020**

**REVIEW OF OPERATIONS**

Gibb River Diamonds Limited (GIB) is pleased to present its Review of Operations for the year ended 30 June 2020.

**1.0 Blina Diamond Project (Western Australia) GIB 100%**

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

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

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

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

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

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

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

**2.0 Horse Well Gold Project (Western Australia) GIB 20%**

GIB retains a 20% interest in E69/2820 which is free carried up to the completion of a bankable feasibility study. This tenement is a part of the Alloy Resources Limited (ASX: AYR) Horse Well Gold Project which lies approximately 50km north-east of the major Jundee gold mine.

**3.0 Highland Plains Phosphate Project (Northern Territory) GIB 100%**

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

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

**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**

On 16 July 2020, the Company acquired an option over the Edjudina Gold Project for a cost of \$110,000 plus GST. For further details refer to the ASX announcement made on the same date.

On 8 September 2020, the Company completed a Share Purchase Plan (SPP) which closed oversubscribed and the Directors agreed to accept the oversubscriptions raising \$1,096,500.

Other than the 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.

**DIRECTORS' REPORT**  
**30 JUNE 2020**

### **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:

<b>Number of Shares Under Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
6,000,000	5.0 cents	10 December 2020
5,500,000	9.0 cents	26 October 2020
3,000,000	5.0 cents	20 February 2021
500,000	9.0 cents	20 November 2021
1,500,000	3.0 cents	31 October 2022

No shares (2019: 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.

### **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 2020. The names of directors who held office during the year and their attendance at Board meetings is detailed below:

<b>Director</b>	<b>Number Attended</b>	<b>Number Eligible to Attend</b>
Jim Richards	5	5
Grant Mooney	5	5
Tom Reddcliffe	2	2
Mark Thompson	3	3

There were also two (2) circular resolution passed by the Board of Directors during the year. (2019: two (2))

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.

**DIRECTORS' REPORT**  
**30 JUNE 2020**

**REMUNERATION REPORT (AUDITED)**

This report details the amount and nature of remuneration of each director of the Company. Other than directors, there were no executive officers 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 9.5% 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 economic entity.

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

- James Richards (*Executive Chairman*)
- Grant Mooney (*Non-Executive Director and Company Secretary*)
- Mark Thompson (*Non-Executive Director*)
- Tom Reddcliffe (*Non-Executive Director*)

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

		Short-term employee benefits		Post-employment benefits	Share-based payments	Total	% of Total consisting of Options
		Salary & Fees \$	Bonus \$	Super-annuation \$	Options \$		
James Richards	2020	133,333	-	12,667	-	146,000	0%
	2019	160,000	-	15,200	-	175,200	0%
Mark Thompson	2020	14,624	-	1,389	-	16,013	0%
	2019	20,000	-	1,900	-	21,900	0%
Grant Mooney <sup>(1)</sup>	2020	61,667	-	2,058	-	63,725	0%
	2019	73,000	-	2,375	-	75,375	0%
Tom Reddcliffe	2020	4,083	-	388	-	4,471	0%
<b>TOTAL</b>	2020	<b>213,707</b>	-	<b>16,502</b>	-	<b>230,209</b>	<b>0%</b>
<b>TOTAL</b>	2019	<b>253,000</b>	-	<b>19,475</b>	-	<b>272,475</b>	<b>0%</b>

(1) Amounts paid to Grant Mooney include Director's fees of \$21,667 (2019: \$25,000) and fees paid to a related party, Mooney & Partners, in respect of company secretarial services totalling \$40,000 plus GST (2019: \$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.

**DIRECTORS' REPORT**  
**30 JUNE 2020**  
**REMUNERATION REPORT (AUDITED) (CONTINUED)**

**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 26 Oct 2017 exercisable @ \$ 0.09	26/10/2017	26/10/2020	\$0.0333	26/10/2017

There were no further options issued to Key Management Personnel during the year.

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 year as a result of COVID-19.

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.

**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 2019	Granted as compensation	Received on exercise of options	Other movement during the year	Closing Balance 30 June 2020
James Richards (i)	35,349,735	-	-	-	35,349,735
Grant Mooney (ii)	9,073,888	-	-	-	9,073,888
Mark Thompson (resigned) (iii) (iv)	5,466,667	-	-	-	5,466,667
Tom Reddcliffe	-	-	-	-	-

**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:

**2020**

Director	Balance as at beginning of year 1 July 19	Expired	Granted as compensation	Balance vested at 30 June 2020	Vested but not exercisable	Vested and exercisable 30 June 2020
James Richards (i)	3,000,000	-	-	3,000,000	-	3,000,000
Grant Mooney (ii)	1,000,000	-	-	1,000,000	-	1,000,000
Mark Thompson (resigned) (iii)	1,000,000	-	-	1,000,000	-	1,000,000
Tom Reddcliffe	-	-	-	-	-	-

- (i) James Richards holds 32,183,068 shares in his own name. Llangurig Super Pty Ltd <Jim Richards Super Fund A/c>, in which James Richards is a director and beneficiary holds 3,166,667 shares and 3,000,000 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 1,145,000 shares. Ocean Flyers Pty Ltd <S&G Mooney Super Fund>, in which Grant Mooney is a director and beneficiary holds 5,676,667 shares. Grant Mooney holds 1,000,000 options in his own name.
- (iii) Kelly Thompson, spouse of Mark Thompson holds 1,000,000 shares. Lateral Minerals Pty Ltd <The Thompson Family Trust> in which Mark Thompson is a director and beneficiary holds 1,000,000 shares and 1,000,000 unlisted options and Lateral Minerals Pty Ltd <Sungold Superannuation Fund A/c> in which Mark Thompson is a director and beneficiary holds 3,466,667 shares and 1,000,000 unlisted options.
- (iv) The closing balance is the balance on the date of Mr Thompson's resignation as a Directors, 24 March 2020.

**DIRECTORS' REPORT**  
**30 JUNE 2020**

**REMUNERATION REPORT (AUDITED) (CONTINUED)**

**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.

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.

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.

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.

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**

**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 8.

Signed on 29 September 2020 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 2020, 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**  
**29 September 2020**



**D I Buckley**  
**Partner**

**hlb.com.au**

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**GIBB RIVER DIAMONDS LIMITED**  
**ABN 51 129 158 550**

**STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	30 June 2020 \$	30 June 2019 \$
Interest	3	12,766	28,800
Government Grant income	3	60,500	-
Other income	3	156,835	323,000
<b>Total Income</b>		<b>230,101</b>	<b>351,800</b>
Exploration expenditure expensed		(34,459)	(29,596)
Impairment of exploration expenditure	13	(74,557)	(60,721)
Employee benefits expense	6	(129,245)	(147,836)
Accounting, tax and audit		(69,155)	(84,514)
Corporate advisory		(3,000)	(1,950)
Company secretarial		(40,000)	(48,000)
Depreciation expense	4	(9,435)	(3,839)
Rental expenses	4	(51,605)	(59,752)
Administration expenses		(99,775)	(169,094)
Share based payments	4	(218,552)	(215,934)
Net fair value loss on financial assets at fair value through profit or loss	12	(21,938)	(411,525)
<b>Total Expenses</b>		<b>(751,721)</b>	<b>(1,232,761)</b>
Loss before income tax expense		(521,620)	(880,961)
Income tax benefit/(expense)	5	-	-
<b>Loss after income tax expense</b>		<b>(521,620)</b>	<b>(880,961)</b>
Other comprehensive income		-	-
<b>Total Comprehensive Loss for the year</b>		<b>(521,620)</b>	<b>(880,961)</b>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share (cents per share)	21	(0.291)	(0.492)
Diluted loss per share (cents per share)	21	(0.291)	(0.492)

The accompanying notes form part of these financial statements.

**GIBB RIVER DIAMONDS LIMITED**  
**ABN 51 129 158 550**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	30 June 2020 \$	30 June 2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	683,106	1,272,846
Trade and other receivables	9	28,524	34,956
Prepayments		15,975	28,993
Assets held for sale	10	-	679,783
<b>TOTAL CURRENT ASSETS</b>		<b>727,605</b>	<b>2,016,578</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	426,032	390,317
Environmental bond		21,859	21,859
Financial assets at fair value through profit or loss	12	76,912	98,850
Exploration and evaluation expenditure	13	1,826,365	874,109
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,351,168</b>	<b>1,385,135</b>
<b>TOTAL ASSETS</b>		<b>3,078,773</b>	<b>3,401,713</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	51,042	52,970
Provisions	15	63,308	81,252
<b>TOTAL LIABILITIES</b>		<b>114,350</b>	<b>134,222</b>
<b>NET ASSETS</b>		<b>2,964,423</b>	<b>3,267,491</b>
<b>EQUITY</b>			
Issued capital	16	15,749,292	15,749,292
Reserves	17	547,443	328,891
Accumulated losses	18	(13,332,312)	(12,810,692)
<b>TOTAL EQUITY</b>		<b>2,964,423</b>	<b>3,267,491</b>

The accompanying notes form part of these financial statements.

**GIBB RIVER DIAMONDS LIMITED**  
**ABN 51 129 158 550**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Ordinary Shares \$	Options Reserve \$	Assets held for Sale Reserve \$	Accumulated Losses \$	Total \$
<b>Balance as at 1 July 2018</b>	15,749,292	165,877	(167,500)	(11,815,151)	3,932,518
Adjustment from adoption of AASB 9 (refer to note 2)	-	-	167,500	(167,500)	-
<b>Adjusted Balance 1 July 2018</b>	<b>15,749,292</b>	<b>165,877</b>	<b>-</b>	<b>(11,982,651)</b>	<b>3,932,518</b>
Loss for the year	-	-	-	(880,961)	(880,961)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(880,961)</b>	<b>(880,961)</b>
Options expired during the year	-	(52,920)	-	52,920	-
Options expensed for the year	-	215,934	-	-	215,934
<b>Balance as at 30 June 2019</b>	<b>15,749,292</b>	<b>328,891</b>	<b>-</b>	<b>(12,810,692)</b>	<b>3,267,491</b>
Loss for the year	-	-	-	(521,620)	(521,620)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(521,620)</b>	<b>(521,620)</b>
Options expensed for the year	-	218,552	-	-	218,552
<b>Balance as at 30 June 2020</b>	<b>15,749,292</b>	<b>547,443</b>	<b>-</b>	<b>(13,332,312)</b>	<b>2,964,423</b>

The accompanying notes form part of these financial statements.

**GIBB RIVER DIAMONDS LIMITED**  
**ABN 51 129 158 550**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	30 June 2020 \$	30 June 2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		-	355,300
Payments to suppliers and employees		(424,974)	(536,317)
R&D refund received		156,835	210,040
Government grants received		60,500	-
Interest received		14,594	28,321
<b>NET CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	8	<b>(193,045)</b>	<b>57,344</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(49,665)	(82,596)
Payments for exploration and evaluation expenditure		(347,030)	(372,759)
<b>NET CASH FLOWS (USED IN) INVESTING ACTIVITIES</b>		<b>(396,695)</b>	<b>(455,355)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		-	-
Proceeds from exercise of options		-	-
Share issue costs		-	-
<b>NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS HELD</b>		<b>(589,740)</b>	<b>(398,011)</b>
Cash and cash equivalents at the beginning of the year		1,272,846	1,670,857
<b>Cash and cash equivalents at the end of the year</b>	8	<b>683,106</b>	<b>1,272,846</b>

The accompanying notes form part of these financial statements.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**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 19.

**Note 2. SUMMARY OF ACCOUNTING POLICIES**

**(a) Statement of Compliance**

The Financial Report for the Company for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Directors on 29 September 2020.

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.

The financial statements have been prepared on a historical cost basis, except for selected non-current assets, 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 2020, 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. Those which have a material impact on the Company are set out below.

**AASB 16 Leases**

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

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

**Impact on adoption of AASB 16**

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

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

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

**Standards and Interpretations in issue not yet adopted**

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2020. There are not which may have a material impact on the Company.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**(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.

Defined contribution plans

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.

**(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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**(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.

**(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.

**(m) Exploration and evaluation**

Exploration and evaluation expenditure costs are accumulated in respect of each separate area of interest.

Exploration and evaluation costs are carried forward where the right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations, in, or in relation to, the area of interest are continuing.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**(m) Exploration and evaluation (continued)**

These assets are considered for impairment on a six-monthly basis, depending on the existence of impairment indicators including:

- the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Accumulated costs in relation to an abandoned area are written off in full against profit/(loss) in the year in which the decision to abandon the area is made.

Projects are classified as held for sale if their carrying amount will be recovered, principally through a sales transaction rather than through continued use. They are measured at the lower of their carrying value and fair value less costs of disposal. The asset must be available for immediate sale in their present condition and their sale must be highly probable.

When a decision is made to proceed with development in respect of a particular area of interest, the accumulated costs for the relevant area of interest are tested for impairment and the balance is then transferred to development assets.

**(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 2020**

**Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**(p) Financial Assets (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 2020**

**Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**(p) Financial Assets (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.

**(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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**(q) Impairment of non-financial assets (continued)**

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) 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 reasonable 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.

**(s) 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 17. If any of these assumptions or estimates were to change this could have a significant effect on the amounts recognised.

*Exploration expenditure*

Exploration expenditure is capitalised where the Company holds a current tenement. The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of resources or reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the view that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

*Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**(t) 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

<b>Note 3. Income</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Interest received from financial institutions	12,766	28,800
<b>Total Revenue</b>	<b>12,766</b>	<b>28,800</b>
<b>Government Grant Funding</b>		
Cashflow boost	50,000	-
Jobkeeper	10,500	-
<b>Total Government Grant funding</b>	<b>60,500</b>	<b>-</b>
<b>Other Income</b>		
Farm-in option fees <sup>(1)</sup>	-	323,000
Tax incentive for Research & Development expenditure	156,835	-
<b>Total other income</b>	<b>156,835</b>	<b>323,000</b>
<b>Total Income</b>	<b>230,101</b>	<b>351,800</b>

<sup>(1)</sup> During the year, the Company has received call option fees from two different companies. The options expired unexercised and the option fees are non-refundable.

<b>Note 4. Loss</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
<b>Expenses</b>		
Depreciation of non-current assets	9,435	3,839
Rental expense on operating leases	51,605	59,752
Share based payment expenses	218,552	215,934

**Note 5. Income Tax**

**Income tax expense**

<b>(a)</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense as follows:		
<b>Loss from continuing operations before tax</b>	<b>(521,620)</b>	<b>(880,961)</b>
<b>Income tax benefit calculated at 27.5% (2019: 27.5%)</b>	<b>(143,445)</b>	<b>(242,264)</b>
Non-deductible expenses	61,108	59,491
Non assessable income	(56,880)	(57,761)
Temporary differences not brought to account as a deferred tax asset	(77,612)	9,669
Tax losses not brought to account as a deferred tax asset/(realisation of prior tax losses not brought to account)	216,829	230,865
Income tax benefit at effective rate of 0% (2019: 0%)	-	-
<b>(b) Exploration</b>		
Exploration and Evaluation	448,200	182,806
Add: Other	4,689	8,772
Recognised deferred tax liabilities	452,889	191,578
<b>(c) Deferred tax assets</b>		
Temporary differences	218,174	219,380
Tax losses – revenue	234,715	(27,802)
Recognised deferred tax assets	452,889	191,578
The deferred tax assets and deferred tax liabilities are recognised and fully offset.		
<b>Not recognised:</b>		
Unrecognised temporary tax losses	-	101,096
Unrecognised tax losses	10,425,727	10,863,097
Total deferred tax assets not recognised	10,425,727	10,964,193
Tax effect of unrecognised tax losses	2,867,075	3,015,153

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**Note 5. Income Tax (continued)**

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 6. 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 2020 \$	30 June 2019 \$
Short-term employee benefits	213,707	253,000
Post-employment benefits	16,502	19,475
Share-based payments	-	-
	230,209	272,475

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 exploration costs to capitalised Exploration and Evaluation expenditure.

**Employee compensation**

	30 June 2020 \$	30 June 2019 \$
Wages, salaries excluding allocation to exploration	98,410	119,917
Superannuation	30,835	27,919
Total as per employee benefit expense	129,245	147,836
Share-based payments	218,552	215,934
Total employee compensation	347,797	363,770

**Note 7. Auditor's Remuneration**

Amounts received, or due and receivable by the auditors, HLB Mann Judd, for audit or review of the financial report

Amounts received, or due and receivable by the previous auditors, Grant Thornton Audit Pty Ltd, for audit or review of the financial report

22,550	14,000
-	22,375

**Note 8. Cash and Cash Equivalents**

Cash at bank and on hand <sup>(1)</sup>	683,106	1,272,846
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<sup>(1)</sup> Cash at Bank includes \$45,000 (2019: \$45,000) held as security for credit cards.

**CASH FLOW INFORMATION**

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

Loss from continuing operations after income tax	(521,620)	(880,961)
- Impairment of exploration expenditure	74,557	60,721
- Revaluation of financial assets	21,938	345,625
- Revaluation of derivative financial instruments	-	65,900
- Depreciation expense	9,435	3,839
- Share based payments	218,552	215,934
- Employee benefits accrued/(paid out)	(17,945)	28,872
- Decrease in debtors	13,018	243,765
- Decrease in prepayments	6,432	4,690
- Increase/(Decrease) in trade creditors	2,588	(31,041)
<b>NET CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	<b>(193,045)</b>	<b>57,344</b>

**GIBB RIVER DIAMONDS LIMITED**  
**ABN 51 129 158 550**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**Note 9. Trade and Other Receivables**

<b>Current</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Trade debtors	2,447	7,051
Interest receivable	1,077	2,905
Other debtors	25,000	25,000
	<b>28,524</b>	<b>34,956</b>

**Note 10. Assets Held for sale**

Carrying value of assets held for sale <sup>(1)</sup>

<b>30 June 2020</b>	<b>30 June 2019</b>
<b>\$</b>	<b>\$</b>
-	679,783

<sup>(1)</sup> The Company continues to engage with potential buyers as regards the Highland Plains phosphate asset in the Northern Territory which has a JORC Code (2004) compliant Inferred Resource of 53 million tonnes at 16% P<sub>2</sub>O<sub>5</sub> (ASX release 31 March 2009). The carrying value of this project was transferred back to Exploration and Evaluation Expenditure during the current year (Note 13), as it was no longer considered highly probable that the sale of the asset would be finalised in the next 12 months.

**Note 11. Property, Plant & Equipment**

	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Cost	548,919	503,769
Accumulated depreciation	(122,887)	(113,452)
	<b>426,032</b>	<b>390,317</b>
Land and Buildings	156	220
Plant and Equipment	425,289	388,536
Fixtures & Fittings	587	1,561
	<b>426,032</b>	<b>390,317</b>

	<b>Land &amp; buildings</b>	<b>Plant &amp; equipment</b>	<b>Fixtures &amp; Fittings</b>	<b>Total</b>
<i>Cost</i>				
<b>Balance as at 30 June 2018</b>	<b>443</b>	<b>418,332</b>	<b>9,908</b>	<b>428,683</b>
Additions	-	74,941	145	75,086
Disposals	-	-	-	-
<b>Balance as at 30 June 2019</b>	<b>443</b>	<b>493,273</b>	<b>10,053</b>	<b>503,769</b>
Additions	-	45,150	-	45,150
Disposals	-	-	-	-
<b>Balance as at 30 June 2020</b>	<b>443</b>	<b>538,423</b>	<b>10,053</b>	<b>548,919</b>
<i>Accumulated Depreciation</i>				
<b>Balance as at 30 June 2018</b>	<b>(160)</b>	<b>(101,930)</b>	<b>(7,523)</b>	<b>(109,613)</b>
Depreciation	(63)	(2,807)	(969)	(3,839)
Disposals	-	-	-	-
<b>Balance as at 30 June 2019</b>	<b>(223)</b>	<b>(104,737)</b>	<b>(8,492)</b>	<b>(113,452)</b>
Depreciation	(64)	(8,397)	(974)	(9,435)
Disposals	-	-	-	-
<b>Balance as at 30 June 2020</b>	<b>(287)</b>	<b>(113,134)</b>	<b>(9,466)</b>	<b>(122,887)</b>
<b>Net written down value 30 June 2019</b>	<b>220</b>	<b>388,536</b>	<b>1,561</b>	<b>390,317</b>
<b>Net written down value 30 June 2020</b>	<b>156</b>	<b>425,289</b>	<b>587</b>	<b>426,032</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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

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

	<b>30 June 2020</b>	<b>30 June 2019</b>
	\$	\$
Listed shares <sup>(1)</sup>	76,812	96,250
Unlisted Options <sup>(2)</sup>	100	2,600
	<b>76,912</b>	<b>98,850</b>

The net loss 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 \$21,938 (2019: \$411,525).

- <sup>(1)</sup> Listed shares are valued at fair value according to closing ASX share price on last trading day of each period.  
<sup>(2)</sup> Unlisted options are valued using the Black-Scholes method at the issued date. The options are exercisable at \$0.25, expiring on 30 April 2021. They are valued using a risk-free rate of 1.5% and 100% volatility. The unlisted options have been revalued at balance date.

**Note 13. Exploration and Evaluation Expenditure**

**Exploration and evaluation phase:**

	<b>30 June 2020</b>	<b>30 June 2019</b>
	\$	\$
Opening balance exploration and evaluation expenditure	874,109	1,241,857
Exploration and evaluation expenses capitalised during year	347,030	372,756
Less: Impairment	(74,557)	(60,721)
Less: transfer to assets held for sale	(22,737)	(679,783)
Add: transfer back from assets held for sale (refer to Note 10)	702,520	-
Closing balance exploration and evaluation expenditure	<b>1,826,365</b>	<b>874,109</b>

During the year the Directors recognised an impairment on previously capitalised expenditure on specific tenements due to the tenements no longer being held.

The Company's title to certain mining tenements is subject to Ministerial approval and may be subject to outcomes of native title issues (Refer Note 24).

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective area.

**Note 14. Trade and Other Payables**

	<b>30 June 2020</b>	<b>30 June 2019</b>
	\$	\$
Trade creditors	10,354	2,421
Other creditors	40,688	50,549
	<b>51,042</b>	<b>52,970</b>

The average credit period on purchases is 60 days. There is no interest charged on payables.

**Note 15. Provisions**

	<b>30 June 2020</b>	<b>30 June 2019</b>
	\$	\$
Employee entitlements – annual & long service leave accrued	63,308	81,252



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**Note 16. Issued Capital**

**(a) Issued Shares**

Opening Balance 1 July 2018

Closing Balance 30 June 2019

Opening Balance 1 July 2019

Closing Balance 30 June 2020

	Number	\$
Opening Balance 1 July 2018	179,079,445	15,749,292
Closing Balance 30 June 2019	179,079,445	15,749,292
Opening Balance 1 July 2019	179,079,445	15,749,292
Closing Balance 30 June 2020	<b>179,079,445</b>	<b>15,749,292</b>

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

**(b) Options on Issue**

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

Expiry date	10 Oct 2020	10 Oct 2020	20 Feb 2021	20 Nov 2021	Weighted average exercise price \$	Weighted average contractual life remaining Months
Exercise Price	\$0.05 Consultant 1	\$0.09 Directors & Employee 2	\$0.05 Consultant 3	\$0.09 Employee 4		
Opening 1/7/19	6,000,000	5,500,000	3,000,000	500,000	0.066	13.90
Exercised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Issued	-	-	-	-	-	-
Closing 30/6/20	6,000,000	5,500,000	3,000,000	500,000	0.066	4.57

The above-mentioned options have the following key terms:

<sup>1</sup> Consultants' options are exercisable at \$0.05 each, by the expiry date noted above. The options vest immediately.

<sup>2</sup> Directors' and Employees' options are exercisable at \$0.09 each, by the expiry date noted above. The options vest immediately, and were settled in equity.

<sup>3</sup> Consultants' options are exercisable at \$0.05 each, by the expiry date noted above. The options vest immediately.

<sup>4</sup> 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 2020 is 4.57 months (2019: 14 months).

**Note 17. Reserves**

**Nature and purpose of reserves**

**Share option reserve**

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

**Assets held for sale reserve**

This reserve was used to record the change in value of assets held for sale. After the application of AASB 9, this reserve is no longer required.

**Share Option Reserve**

	30 June 2020 \$	30 June 2019 \$
Opening Balance	328,891	165,877
Options expensed during year	218,552	215,934
Less – expired options	-	(52,920)
Closing balance	<b>547,443</b>	<b>328,891</b>

The Share Option 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**Note 17. Reserves (continued)**

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	CONSULTANT OPTIONS	DIRECTORS OPTIONS	EMPLOYEE OPTIONS	CONSULTANT OPTIONS	EMPLOYEE OPTIONS
Exercise price	\$0.05	\$0.09	\$0.09	\$0.05	\$0.09
Share price	\$0.042	\$0.061	\$0.061	\$0.13	\$0.063
Grant date	16/10/17	26/10/17	26/10/17	20/02/18	20/11/18
Expected volatility (i)	100%	100%	100%	100%	100%
Expiry date	10/10/20	26/10/20	26/10/20	20/02/21	20/11/21
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk free interest rate	1.5%	1.5%	1.5%	1.5%	1.5%
Value per option	\$0.0247	\$0.0333	\$0.0333	\$0.1019	\$0.0348
Number of options	6,000,000	5,000,000	500,000	3,000,000	500,000
Value of options	\$148,200	\$166,500	\$16,650	\$305,700	\$17,400

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

**Assets Held for Sale Reserve**

	30 June 2020 \$	30 June 2019 \$
Opening balance	-	167,500
Move to opening accumulated losses on initial application of AASB 9	-	(167,500)
Balance at the end of the year	-	-

**Note 18. Accumulated Losses**

	30 June 2020 \$	30 June 2019 \$
Balance at the beginning of the year	(12,810,692)	(11,815,151)
Transfer on initial application of AASB 9	-	(167,500)
Net loss for the year	(521,620)	(880,961)
Transfer from share option reserve (expired options)	-	52,920
Balance at the end of the year	(13,332,312)	(12,810,692)

**Note 19. 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 20. Related Party Transactions**

**(a) Key management personnel compensation**

Details of key management personnel compensation are disclosed in Note 6 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 \$40,000 (2019: \$48,000). This amount is included in Mr Mooney's remuneration in the remuneration report.

**Note 21. Financial Instruments**

**(a) Overview**

The Company's principal financial instruments comprise receivables, payables, cash 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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).

**Note 21. Financial Instruments (continued)**

**(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:

2020	Average Effective Interest Rate %	Fixed Interest Rate \$	Floating Interest Rate \$	Non-Interest Bearing \$	Total \$
<b>Financial assets:</b>					
Operating accounts	-	-	-	16,075	16,075
Savings accounts	0.25%	-	234,423	-	234,423
Term deposits	1.52%	432,608	-	-	432,608
Receivables	-	-	-	28,524	28,524
Financial assets	-	-	-	76,912	76,912
		<b>432,608</b>	<b>234,423</b>	<b>121,511</b>	<b>788,542</b>
<b>Financial liabilities:</b>					
Accounts payable	-	-	-	51,042	51,042

2019	Average Effective Interest Rate %	Fixed Interest Rate \$	Floating Interest Rate \$	Non-Interest Bearing \$	Total \$
<b>Financial assets:</b>					
Operating accounts	-	-	-	17,570	17,570
Savings accounts	0.5%	-	118,053	-	118,053
Term deposits	2.06%	1,137,223	-	-	1,137,223
Receivables	-	-	-	34,956	34,956
Financial assets	-	-	-	98,850	98,850
		<b>1,137,223</b>	<b>118,053</b>	<b>151,376</b>	<b>1,406,652</b>
<b>Financial liabilities:</b>					
Accounts payable	-	-	-	52,970	52,970

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:

	2020 \$	2019 \$
Cash and cash equivalents	683,106	1,272,846
Trade and other receivables	28,524	34,956
	<b>711,630</b>	<b>1,307,802</b>

**(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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**Note 21. Financial Instruments (continued)**

**(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 2020	Level 1	Level 2	Level 3	Total
Financial Assets:				
Listed Shares	76,812	-	-	76,812
Unlisted Options	-	100	-	100
<b>Net fair value:</b>	<b>76,812</b>	<b>100</b>	<b>-</b>	<b>76,912</b>

30 June 2019	Level 1	Level 2	Level 3	Total
Financial Assets:				
Listed Shares	96,250	-	-	96,250
Unlisted Options	-	2,600	-	2,600
<b>Net fair value:</b>	<b>96,250</b>	<b>2,600</b>	<b>-</b>	<b>98,950</b>

There were no transfers between Level 1 and Level 2 in 2020.

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.

**Note 22. Earnings per Share**

Basic loss per share (cents per share)  
Diluted loss per share (cents per share)

2020 Cents	2019 Cents
(0.291)	(0.492)
(0.291)	(0.492)

**Basic Earnings per Share**

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

2020 \$	2019 \$
(521,620)	(880,961)

Weighted average number of ordinary shares  
Weighted average number of dilutive ordinary shares

2020 No.	2019 No.
179,079,445	179,079,445
N/A	N/A

Options outstanding at year end are not dilutive and therefore are not included in the calculation of dilutive loss per share.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**Note 23. Significant Events Subsequent to Year End**

On 16 July 2020, the Company acquired an option over the Edjudina Gold Project for a cost of \$110,000 plus GST. For further details refer to the ASX announcement made on the same date.

On 8 September 2020, the Company completed a Share Purchase Plan (SPP) which closed oversubscribed and the Directors agreed to accept the oversubscriptions raising \$1,096,500.

Other than the 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.

**Note 24. 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 25. Commitments for Expenditure**

These amounts are payable, if required, over various times over the next five years. In addition, royalty payments may be payable if certain conditions are met in the future. At this time, the Directors do not consider the payments to be probable.

**Lease Commitments:**

The Company has extended a rental agreement for office premises commencing on 16 May 2018 for a period of 24 months. This agreement has now expired and the Company is renting the premises on a month to month basis.

Office Rental

- Due within 1 year

- Due 1 to 5 years

	2020 \$	2019 \$
- Due within 1 year	-	51,634
- Due 1 to 5 years	-	-

**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 \$144,300 (2019: \$186,000).

**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 2020 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 2020.

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



**JAMES RICHARDS**  
Chairman



**GRANT MOONEY**  
Non-executive Director

Dated this 29th day of September 2020

## 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 2020, the statement of profit or loss and 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 2020 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.com.au**

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Key Audit Matter	How our audit addressed the key audit matter
<p><b>Carrying amount of exploration and evaluation expenditure</b> Note 13 of the financial report</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Company capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition.</p> <p>Our audit focussed on the Company’s assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Company.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>▪ We obtained an understanding of the key processes associated with management’s review of the carrying values of each area of interest;</li> <li>▪ We considered the Directors’ assessment of potential indicators of impairment;</li> <li>▪ We obtained evidence that the Company has current rights of tenure to its areas of interest;</li> <li>▪ We examined the exploration budget for the year ending 30 June 2021 and discussed with management the nature of planned ongoing activities;</li> <li>▪ We substantiated a sample of expenditure incurred to supporting documentation; and</li> <li>▪ We examined the disclosures made in the financial report.</li> </ul>

*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 2020, 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, related safeguards.

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 2020.

In our opinion, the Remuneration Report of Gibb River Diamonds Limited for the year ended 30 June 2020 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**  
Chartered Accountants

**Perth, Western Australia**  
**29 September 2020**



**D I Buckley**  
Partner

### 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 18 September 2020.

Spread of Holdings			Number of holders	Ordinary Shares
1	-	1,000	55	27,356
1,001	-	5,000	98	295,418
5,001	-	10,000	174	1,535,443
10,001	-	100,000	519	21,010,886
100,001	-	and over	235	178,140,362

Total Number of Holders: 1,081

Number of shareholders holding less than a marketable parcel: 231

#### SUBSTANTIAL SHAREHOLDERS

Shareholder Name	Number of Shares
James Richards	36,549,735
Kelsi Chemicals Pty Ltd <Ruane S/F A/C>	13,244,941

#### 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 201,009,445 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.

**GIBB RIVER DIAMONDS LIMITED**  
**ABN 51 129 158 550**

**TWENTY LARGEST HOLDERS OF EACH CLASS OF QUOTED EQUITY SECURITIES**  
**(as at 18 September 2020)**

**ORDINARY FULLY PAID SHARES**

Shareholder Name	Number of Shares	Percentage of Capital
MR JAMES MCARTHUR RICHARDS	32,783,068	16.31
KESLI CHEMICALS PTY LTD <RUANE S/F A/C>	13,244,941	6.59
OCEAN FLYERS PTY LTD <S & G MOONEY SUPER FUND A/C>	5,876,667	2.92
MR PHILIP ANDREW PILCHER	5,212,542	2.59
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,514,259	2.25
LLANGURIG SUPER PTY LTD <JIM RICHARDS SUPER FUND A/C>	3,766,667	1.87
MR IANAKI SEMERDZIEV	3,756,452	1.87
MS ANNE MARIE HUTCHINGS	3,650,000	1.82
LATERAL MINERALS PTY LTD <SUNGOLD SUPER A/C>	3,466,667	1.72
CLELAND PROJECTS PTY LTD <CT A/C>	2,900,000	1.44
MR ANDREW IAN BROWN	2,590,000	1.29
CORONA LAND HOLDINGS PTY LTD <HUMBERSTON SUPER FUND A/C>	2,583,333	1.29
MR DALE LEONARD ANDREWS & MRS JILLIAN PATRICIA ANDREWS <DOG STAR S/F A/C>	2,492,000	1.24
MR GRANT JONATHAN MOONEY	2,238,882	1.11
MR ALAN PAUL CARTMELL	2,069,474	1.03
OAK WINDS SUPER PTY LTD <DACIN NOMINEES P/L SUPER A/C>	2,000,000	0.99
MR PAUL SCIANCALEPORE & MRS PAULINE SCIANCALEPORE	2,000,000	0.99
MR IAN KERR	1,976,336	0.98
PURE INTEGRITY PTY LTD <GREGSON GROUP SUPERFUND A/C>	1,600,000	0.80
Z&M CONSOLIDATED PTY LTD <THE Z AND M SUPER FUND A/C>	1,500,000	0.75
MR GRANT STEPHEN BAMBRY	1,420,924	0.71
<b>Total</b>	<b>101,642,212</b>	<b>50.57</b>

**HOLDERS OF SECURITIES IN AN UNQUOTED CLASS**

**OPTIONS**

Option Holder Name	Consultant Options Expiring 10 October 2020 @ 5.0 cents each	Directors & Employee Options Expiring 26 Oct 2020 @ 9.0 cents each	Employee Options Expiring 20 November 2021 @ 9 cents each	Consultant Options Expiring 31 October 2022 @ 3 cents each
James Richards	-	3,000,000	-	-
Mark Thompson	-	1,000,000	-	-
Grant Mooney	-	1,000,000	-	-
Michael Denny	-	500,000	500,000	-
Bunuba	6,000,000	-	-	-
Canaccord Genuity Capital Markets	-	-	-	1,500,000
<b>Total</b>	<b>6,000,000</b>	<b>5,500,000</b>	<b>500,000</b>	<b>1,500,000</b>

## **CORPORATE GOVERNANCE**

### **(a) The Board of Directors**

The primary responsibility for the Board is to represent and advance Shareholder's interests and to protect the interests of all stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability.

The Company has adopted the *ASX Corporate Governance Principles and Recommendations* with some amendments where applicable after giving consideration to the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

A summary of the Company's key policies follows.

### **(b) Board and Senior Executive Evaluation**

The Board considers the ongoing development and improvement of its own performance as critical input to effective governance. The Board will undertake an annual evaluation of its effectiveness as a whole. The Chairman will review the individual performance of each Board member annually.

The Chairman's performance is evaluated by the Board annually.

All senior executives of Gibb River Diamonds are subject to an annual performance evaluation. Each year, senior executives establish a set of performance targets with her or his superior. These targets are aligned to overall business goals and requirements of the position. In the case of the Executive Chairman, these targets are established between the Executive Chairman and the Board.

### **(c) Code of Conduct**

The Board, management and all employees of Gibb River Diamonds are committed to implementing Gibb River Diamonds' core principles and values as stated in this Code of Conduct when dealing with each other and with customers, suppliers, government authorities, creditors and the wider community.

Gibb River Diamonds is dedicated to delivering outstanding performance for investors and employees. Gibb River Diamonds aspires to be a leader in its field while operating openly, with honesty, integrity and responsibility and maintaining a strong sense of corporate social responsibility. In maintaining its corporate social responsibility Gibb River Diamonds will conduct its business ethically and according to its values, encourage community initiatives, consider the environment and ensure a safe, equal and supportive workplace.

### **(d) Continuous Disclosure**

In accordance with the ASX Listing Rules, Gibb River Diamonds will immediately notify the ASX of information concerning Gibb River Diamonds that a reasonable person would expect to have a material effect on the price or value of Gibb River Diamonds' securities.

The only exception to this requirement is where the ASX Listing Rules do not require such information to be disclosed.

Upon confirmation of receipt from the ASX, Gibb River Diamonds will post all information disclosed to ASX on its website.

**CORPORATE GOVERNANCE (Continued)**

**(e) Selection of External Auditor**

The Board identifies and recommends an appropriate external auditor for appointment, in conjunction with senior management and/or Gibb River Diamonds in general meeting. The appointment is made in writing.

The external auditor is required to rotate its audit partners so that no partner of the external auditor is in a position of responsibility in relation to Gibb River Diamonds' accounts for a year of more than five consecutive years. Further, once rotated off Gibb River Diamonds' accounts, no partner of the external auditor may assume any responsibility in relation to Gibb River Diamonds Limited's accounts for a year of five consecutive years.

The Company has appointed, with their consent, HLM Mann Judd as its auditors.

**(f) Senior Executives Remuneration**

Gibb River Diamonds is committed to remunerating its senior executives in a manner that is market competitive, consistent with best practice and supports the interests of shareholders. Consequently, senior executives' remuneration consists of a fixed salary, statutory superannuation and, subject to the terms of their engagement, mobile phone expenses.

All reasonable out of pocket expenses incurred by the senior executive in connection with the performance of duties on behalf of Gibb River Diamonds will be reimbursed.

In addition, the Company has established an employee share option plan ("ESOP") in order to provide an incentive for senior executives and other employees to participate in the future growth of the Company. The ESOP is administered in accordance with the ESOP rules which can be viewed, in full, on the Company's website.

**(g) Non-executive Directors Remuneration**

Non-executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. The sum each Non-Executive Director is paid is determined by the Board from time to time. Additional fees may be paid for participation on Board Committees however, the total fees paid to Non-Executive Directors, including fees paid for participation on Board Committees, are kept within the total amount approved by shareholders. At present the maximum aggregate remuneration of Non-Executive Directors is \$400,000 per annum.

**(h) Selection and Appointment of New Directors**

Candidates for the Board are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within Gibb River Diamonds' scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities. Directors are initially appointed by the full Board, subject to election by shareholders at the next general meeting.

**(i) Risk Management**

Risk recognition and management are viewed by Gibb River Diamonds as integral to the Company's objectives of creating and maintaining shareholder value, and the successful execution of the Company's mineral exploration and development.

There are a range of specific risks that have the potential to have an adverse impact on Gibb River Diamonds' business. The Company has developed a framework for a risk management policy and internal compliance and control system which covers organisational, financial and operational aspects of the Company's affairs.

Management reports to the Board annually in relation to the key business risks, the control system in place to manage such risks and how effective the risk management system is operating.

**CORPORATE GOVERNANCE (Continued)**

**(j) Security Trading**

Gibb River Diamonds recognises that directors, officers and employees may hold securities in Gibb River Diamonds and that most investors are encouraged by these holdings. It is the responsibility of the individual director, officer or employee to ensure that any trading by the director, officer or employee complies with the Corporations Act 2001, the ASX Listing Rules and Company Policy.

A breach of this policy may lead to disciplinary action. It may also be a breach of the law.

On 17 December 2010, the Company adopted a Securities Trading Policy which sets out procedures and protocols to be complied with if a director, officer or employee wishes to trade in the Company's securities. These procedures and protocols include the clear establishment of "blackout periods" where trading in the Company's securities by a director, officer or employee is prohibited as well as approvals required for trading in securities during non-blackout periods.

**(k) Shareholder Communication Policy**

The Board aims to ensure that shareholders are informed of all major developments affecting Gibb River Diamonds. All shareholders receive the Company's annual report, and may also request copies of the Company's half-yearly and quarterly reports. The Board also encourages full participation of shareholders at the Company's annual general meeting.

In addition, the Company maintains a website at [www.gibbriverdiamonds.com](http://www.gibbriverdiamonds.com) which is regularly updated.

**(l) Independent Professional Advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

**(m) Matters for Approval by the Board of Directors**

The Board has adopted a list of matters required to be brought before the Board of Directors for approval. This provides an important means of dividing responsibility between the Board and management, assisting those affected by corporate decisions to better understand the respective accountabilities and contributions of the Board and the Senior Executives.

**(n) Diversity Policy**

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people. As such, the Board has adopted a policy to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

**(o) Explanations for Departure From Best Practice Recommendations**

During the reporting year from the Company has complied with each of the Essential Corporate Governance principles and the corresponding Best Practice Recommendations as published by ASX Corporate Governance Council ("ASX Principles and Recommendations" 3<sup>rd</sup> Edition), other than in relation to the matters specified below.

## EXPLANATION FOR DEPARTURE FROM BEST PRACTICE RECOMMENDATIONS

The Company has complied with each of the Eight Corporate Governance Principles and Recommendations as published by ASX Corporate Governance Council (3<sup>rd</sup> Edition), other than in relation to the matters specified below.

### **Principle 1: Lay solid foundations for management and oversight**

#### **Recommendation 1.1**

*The listing entity should disclose:*

- (a) the respective roles and responsibilities of its board and management; and*
- (b) those matters expressly reserved to the board and those delegated to management.*

The Company complies with this recommendation.

The Company has established clear details of the roles and responsibilities of each of its board management members.

#### **Recommendation 1.2**

*A listed entity should:*

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and*
- (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The Company complies with this recommendation.

The Company has a policy for the evaluation of the Board and Senior Executives, details of which can be found on the Company's website.

The appointment of any director is subject to subsequent approval by shareholders at the next Annual General Meeting of the Company. Meeting materials for such meeting incorporates all relevant details to assist shareholders in deciding whether or not to elect or re-elect that director.

#### **Recommendation 1.3**

*A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

The Company complies with this recommendation.

Prior to the formal appointment of any director, a written agreement is entered into between the Company and the director setting out the terms and conditions of their appointment.

*The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.*

The Company complies with this recommendation.

#### **Recommendation 1.5**

*A listed entity should:*

- (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*
- (b) disclose that policy or a summary of it; and*
- (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:
  - (i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or*
  - (ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act.**



The Company does not comply with this recommendation. The Company has not yet set measurable objectives for achieving diversity. The Board continues to monitor diversity across the organisation and is satisfied with the current level of gender diversity within the Company. Due to the size of the Company, the Board does not consider it appropriate at this time to formally set objectives for gender diversity. The Company currently employs (including on a consulting basis) 5 staff (1 female and 4 males).

**Recommendation 1.6**

*A listed entity should:*

- (a) *have and disclose a process for periodically evaluation the performance of the board, its committees and individual directors; and*
- (b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Company complies with this recommendation.

On an annual basis the Company undertakes a review of the Board, its committees and individual directors which is confirmed in the Annual Report.

**Recommendation 1.7**

*A listed entity should:*

- (a) *have and disclose a process for periodically evaluating the performance of its senior executives; and*
- (b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Company complies with this recommendation.

On an annual basis the Company undertakes a review of the senior executives which is confirmed in the Annual Report.

**Principle 2: Structure the board to add value**

**Recommendation 2.1**

*The board of a listed entity should:*

- (a) *have a nomination committee which:*
  - (i) *has at least three members, a majority of whom are independent directors; and*
  - (ii) *is chaired by an independent director; and disclose:*
    - (iii) *the charter of the committee;*
    - (iv) *the members of the committee; and*
    - (v) *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

*if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.*

The Company does not comply with this recommendation. Given the Company's size, it is not considered necessary to have a separate Nomination Committee.

In addition to the above, the following information is provided:

- (a) the skills, experience and expertise of each of the Company's directors are set out in the Company's Annual Report;
- (b) the Board, in consultation with external advisers where required, undertakes this role; and
- (c) the Company provides for the proper assessment of prospective directors and include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within the Company's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities.

**Recommendation 2.2**

*A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.*

The Company complies with this recommendation.

The skills, experience and expertise of each of the Company's directors are set out in the Company's Annual Report.

**Recommendation 2.3**

*A listed entity should disclose:*

- (a) *the names of the directors considered by the board to be independent directors;*
- (b) *if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and*
- (c) *the length of service of each director.*

The Company complies with this recommendation.

Non-Executive Directors Grant Mooney and Tom Reddicliffe are considered Independent Directors.

The length of service of each Director is set out in the Annual Report.

**Recommendation 2.4**

*A majority of the board of a listed entity should be independent directors.*

The Company currently complies with this recommendation.

**Recommendation 2.5**

*The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.*

The Company does not comply with this recommendation.

Given the size of the Company the Board considers it is prudent to combine the roles of Chairman and Executive to preserve funds.

**Recommendation 2.6**

*A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors efficiently.*

The Company complies with this recommendation.

The Company has established a process for induction of new directors and where possible, provides each director with opportunities for professional development such that they can improve their effectiveness as directors of the Company.

**Principle 3: Act ethically and responsibly**

**Recommendation 3.1**

*A listed entity should:*

- (a) *have a code of conduct for its directors, senior executives and employees; and*
- (b) *disclose that code or a summary of it.*

The Company complies with this recommendation.

The Company has established a code of conduct for all directors, senior executives and employees which is summarised in the Company's Annual Report.

**Principle 4: Safeguard integrity in corporate reporting**

**Recommendation 4.1**

*The board of a listed entity should:*

- (a) *have an audit committee which:*
    - (i) *has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and*
    - (ii) *is chaired by an independent director, who is not the chair of the board,*
- and disclose:*
- (b) *the charter of the committee;*
  - (c) *the relevant qualifications and experience of the members of the committee; and*
  - (d) *in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
  - (e) *if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

The Company does not comply with this recommendation.

The Directors are of the view that given the size of the Company and the relatively small number of directors, it is not practical to have an Audit Committee. The Board undertakes this role.

The Board meets on a regular basis and discusses matters normally captured under the terms of reference of an audit committee, being Company risk, controls and general and specific financial matters, as detailed in Risk Management on the Company's website.

**Recommendation 4.2**

*The board of the listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

The Company complies with this recommendation. The Board receives assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration in relation to section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Company also has a separate policy in relation to Risk Management which is available on the Company's website.

**Recommendation 4.3**

*A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

The Company complies with this recommendation.

The Company's auditor attends the annual general meeting of the Company and is available to answer any question in relation to the audit.

**Principle 5: Make timely and balanced disclosure**

**Recommendation 5.1**

*A listed entity should:*

- (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and*
- (b) disclose that policy or a summary of it.*

The Company complies with this recommendation.

The Company has a Continuous Disclosure policy which is set out on the Company's website.

**Principle 6: Respect the rights of security holders**

**Recommendation 6.1**

*A listed entity should provide information about itself and its governance to investors via its website.*

The Company complies with this recommendation.

A summary of the Company's Corporate Governance policies is set on the Company's website.

**Recommendation 6.2**

*A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.*

The Company complies with this recommendation.

The Company has established an investor relations program to ensure effective communications between the Company and shareholders and investors.

**Recommendation 6.3**

*A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

The Company complies with this recommendation.

The Company has a Shareholder Communication Policy which is set out on the Company website.

**Recommendation 6.4**

*A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

The Company complies with this recommendation.

The Company provides the option to shareholders to receive communications electronically, notification of this option is provided by the Company registry.

**Principle 7: Recognise and manage risk**

**Recommendation 7.1**

*The board of a listed entity should:*

- (a) have a committee or committees to oversee risk, each of which:
  - (i) has at least three members, a majority of whom are independent directors; and*
  - (ii) is chaired by an independent director;**
- And disclose:*
  - (iii) the charter of the committee;*
  - (iv) the members of the committee; and*
  - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Company does not comply with this recommendation.

The Directors are of a view that given the size of the Company, it is not necessary to have a separate committee to oversee risk and this function is undertaken directly by the Board and senior management at regular intervals. The Risk Management Policy is available on the Company's website.

**Recommendation 7.2**

*The board or a committee of the board should:*

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and*
- (b) disclose, in relation to each reporting period, whether such a review has taken place.*

The Company complies with this recommendation.

As stated above, in the forum of board meetings the board regularly addresses certain risks that may affect the Company's business interests and confirmation of these risks being addressed are noted in the Corporate Governance Policies within the Annual Report.

**Recommendation 7.3**

*A listed entity should disclose:*

- (a) if it has an internal audit function, how the function is structured and what role it performs; or*
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its risk management and internal control processes.*

The Company does not comply with this recommendation.

The Directors are of the view that given the size of the Company, it is not practical to have an internal audit function and that risk management is undertaken by the Board and senior management.

**Recommendation 7.4**

*A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The Company does not comply with this recommendation.

The Directors are of the view that given the Company's size, risks are addressed directly by the Board and senior management and are not disclosed externally.

**Principle 8: Remunerate fairly and responsibly**

***Recommendation 8.1***

*The board of a listed entity should:*

- (a) have a remuneration committee which:
  - (i) has at least three members, a majority of whom are independent directors; and*
  - (ii) is chaired by an independent director;*and disclose:
  - (iii) the charter of the committee;*
  - (iv) the members of the committee; and*
  - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

The Company does not comply with this recommendation.

The Company does not presently have a remuneration committee.

The Directors are of the view that given the size of the Company, the relatively small number of directors it is not practical to have a remuneration committee. The Board undertakes this role with the assistance of any external advice which may be required from time to time.

***Recommendation 8.2***

*A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

The Company complies with this recommendation.

The Company has separate policies relating to the remuneration of non-executive directors as opposed to senior executives.

These policies provide a basis for distinguishing the type of remuneration which is suitable for the two classes.

***Recommendation 8.3***

*A listed entity which has an equity-based remuneration scheme should:*

- (a) have a policy on whether participants are permitted to enter into transaction (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- (b) disclose that policy or a summary of it.*

The Company complies with this recommendation.

The Company has a Securities Trading Policy which, among other things, sets out the Company's policy on trading the Company's securities. A copy of this policy is on the Company's website.

