



GIBB RIVER

DIAMONDS

**Gibb River Diamonds Limited
(Formerly POZ Minerals Limited)**

ABN 51 129 158 550

**Interim Financial Report
31 December 2018**

**GIBB RIVER DIAMONDS LIMITED (FORMERLY POZ MINERALS LIMITED)
INTERIM FINANCIAL REPORT**

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GIBB RIVER DIAMONDS LIMITED (FORMERLY POZ MINERALS LIMITED) INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2018.

DIRECTORS

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

Mr James (Jim) Richards – Non Executive Chairman
Mr Grant Mooney – Non Executive Director and Company Secretary
Mr Mark Thompson – Non Executive Director

OPERATING RESULTS

The loss from ordinary activities after tax of the Company for the half-year ended 31 December 2018 after income tax was \$400,195 (2017: \$329,198).

REVIEW OF OPERATIONS

The Company presents its half yearly Review of Operations for the period ended 31 December 2018.

1.0 Blina Diamond Project (Western Australia) GIB 100%

A diamond bearing alluvial palaeochannel named Terrace 5 extends over some 40km of the GIB project area, with channel widths of 200m to 500m¹. The largest diamond recovered to date from Terrace 5 weighed 8.43 carats, with high quality stones larger than two carats common. A significant number of the diamonds are high value Fancy Yellows.

The Company has defined numerous high grade targets using the latest in Ground Penetrating Radar technology over proven diamondiferous channels at Terrace 5. A recent Company trenching program has also discovered extensive areas of un-sampled, shallow and highly prospective alluvial gravels which also require testing.

GIB is pursuing a program of systematic bulk sampling of these prospective gravel targets to define the extent and grade of the diamondiferous gravels, which will lead into trial mining of the best grades.

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

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

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.

In November 2018 the Company granted an Option to sell 100% of the project to a private Canadian company, ILS Resources Inc (formerly P2O5 Resources Inc ('P2O5')). The initial Option fee payment of \$100,000 (plus GST) has already been received and a further \$100,000 (plus GST) was paid in March 2019. Should P205 exercise the option the sale price is \$2,500,000 cash (plus GST), a 1.5% Free Alongside royalty and 10% of the shares in P205.

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DIVIDENDS

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

CHANGE OF COMPANY NAME

On 20 November 2018, the Company changed name from POZ Minerals Limited (ASX code: POZ) to Gibb River Diamonds Limited (ASX code:GIB)

EVENTS AFTER BALANCE DATE

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

- On 11 March 2019, the Company received a further option fee of \$100,000 (plus GST) from ILS Resources Ltd (previously called P205 Resources Inc) to further extend the Highland Plains option period for another 3 months to 14 June 2019.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from the lead auditor of Gibb River Diamonds Limited, Grant Thornton Audit Pty Ltd, which is included on page 5.

Signed in accordance with a resolution of the Directors



JAMES RICHARDS
Chairman
Dated: 15th March 2019



GRANT MOONEY
Non-Executive Director/Company Secretary

Competent Persons Statement

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

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

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

Auditor's Independence Declaration


To the Directors of Gibb River Diamonds Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Gibb River Diamonds Limited for the half-year ended 31 December 2018. I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner – Audit & Assurance

Perth, 15 March 2019

GIBB RIVER DIAMONDS LIMITED (FORMERLY POZ MINERALS LIMITED)
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	NOTE	31 December 2018	31 December 2017
		\$	\$
Interest income	5	14,077	17,440
Other income from ordinary activities	5	190,000	-
Total Other Income		204,077	17,440
Exploration expenses		(6,520)	23,208
Exploration written off		-	115,613
Employee benefits expense		79,046	58,003
Accounting and audit		59,360	25,705
Corporate advisory fees		1,950	-
Company secretarial expenses		24,000	24,000
Depreciation expense		1,773	4,545
Rental expenses		28,478	29,503
Administration expenses		72,033	50,665
Share based payments		107,852	21,646
Net fair value loss/(gains) on financial assets at fair value through profit or loss		236,300	(6,250)
Total Expenses		(604,272)	(346,638)
Loss for the period before income tax expense		(400,195)	(329,198)
Income tax benefit		-	-
Loss for the period after income tax expense		(400,195)	(329,198)
Other Comprehensive Income/(Loss)		-	-
		-	-
Total Comprehensive Loss for the period		(400,195)	(329,198)
		Cents	Cents
Basic loss per share (cents per share)		(0.223)	(0.201)
Diluted loss per share (cents per share)		(0.223)	(0.201)

The accompanying notes form part of the financial statements.

**GIBB RIVER DIAMONDS LIMITED (FORMERLY POZ MINERALS LIMITED)
INTERIM FINANCIAL REPORT**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	NOTE	31 December 2018 \$	30 June 2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,505,375	1,670,857
Trade and other receivables		99,464	278,721
Prepayments		37,730	33,682
Assets classified as held for sale	8	668,092	-
Total Current Assets		2,310,661	1,983,260
Non-Current Assets			
Property, plant and equipment		392,384	319,070
Environmental Bond		21,859	21,859
Available-for-sale financial assets	6a	-	441,875
Financial assets at fair value through profit or loss	6b	274,075	68,500
Exploration and evaluation expenditure	7	748,958	1,241,854
Total Non-Current Assets		1,437,276	2,093,158
TOTAL ASSETS		3,747,937	4,076,418
LIABILITIES			
Current Liabilities			
Trade and other payables		37,468	91,520
Provisions		70,294	52,380
TOTAL LIABILITIES		107,762	143,900
NET ASSETS		3,640,175	3,932,518
EQUITY			
Issued Capital	9	15,749,292	15,749,292
Reserves	10	220,809	(1,623)
Accumulated losses		(12,329,926)	(11,815,151)
TOTAL EQUITY		3,640,175	3,932,518

The accompanying notes form part of the financial statements.

GIBB RIVER DIAMONDS LIMITED (FORMERLY POZ MINERALS LIMITED)
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STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	31 December 2018	31 December 2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(221,438)	(233,585)
Interest received	9,767	16,178
Receipt of research & development refund	210,040	-
	<hr/>	<hr/>
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(1,631)	(217,407)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(82,596)	-
Payments for exploration, evaluation and development expenditure	(257,255)	(273,033)
Receipt of tenement sale option fees	176,000	-
	<hr/>	<hr/>
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(163,851)	(273,033)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the exercise of options	-	143,000
Share issue expenses	-	(3,676)
	<hr/>	<hr/>
NET CASH FLOWS FROM FINANCING ACTIVITIES	-	139,324
NET DECREASE IN CASH AND CASH EQUIVALENTS HELD	(165,482)	(351,116)
Cash and cash equivalents at the beginning of the period	1,670,857	1,995,830
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	1,505,375	1,644,714
	<hr/>	<hr/>

The accompanying notes form part of the financial statements.

GIBB RIVER DIAMONDS LIMITED (FORMERLY POZ MINERALS LIMITED)
INTERIM FINANCIAL REPORT

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Ordinary Shares \$	Share Option Reserve \$	Available- for-sale financial assets Reserve Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2018 (reported)	15,749,292	165,877	(167,500)	(11,815,151)	3,932,518
Adjustment from adoption of AASB 9 (refer Note 2)	-	-	167,500	(167,500)	-
Adjusted balance 1 July 2018	15,749,292	165,877	-	(11,982,651)	3,932,518
Loss for the period	-	-	-	(400,195)	(400,195)
Total comprehensive loss for half year	-	-	-	(400,195)	(400,195)
Expense options previously issued	-	106,990	-	-	106,990
Expired options being transferred	-	(52,920)	-	52,920	-
Employee options issued	-	862	-	-	862
Balance as at 31 December 2018	15,749,292	220,809	-	(12,329,926)	3,640,175
	Ordinary Shares \$	Share Option Reserve \$	Available- for-sale financial assets Reserve Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2017	14,590,606	116,070	-	(11,643,907)	3,062,769
Loss for the period	-	-	-	(329,198)	(329,198)
Other comprehensive income	-	-	-	-	-
Total comprehensive profit for half year	-	-	-	(329,198)	(329,198)
Options exercised	60,150	(60,150)	-	-	-
1,000,000 options excised at 2.6 cents	26,000	-	-	-	26,000
5,000,000 options exercised at 1.9 cents	95,000	-	-	-	95,000
500,000 options exercised at 4.4 cents	22,000	-	-	-	22,000
Share issue costs	(3,676)	-	-	-	(3,676)
Bunuba options issued	-	10,460	-	-	10,460
Director options issued	-	10,169	-	-	10,169
Employee options issued	-	1,017	-	-	1,017
Balance as at 31 December 2017	14,790,080	77,566	-	(11,973,105)	2,894,541

The accompanying notes form part of the financial statements.

GIBB RIVER DIAMONDS LIMITED (FORMERLY POZ MINERALS LIMITED) INTERIM FINANCIAL REPORT

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

1. CORPORATE INFORMATION

The financial report of Gibb River Diamonds Limited (the "Company") for the half-year ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 15 March 2019.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Gibb River Diamonds Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments (2014)* which became mandatorily effective on 1 January 2018. Accordingly, these standards apply for the first time to this set of interim financial statements. The nature and effect of changes arising from these standards are summarised in the section below.

New standards adopted at 1 July 2018

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and several revenue-related interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated.

The adoption of this standard has had no impact on the current or previous reporting period and as such there have been no adjustments to the opening balance of retained earnings.

AASB 9 Financial Instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

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INTERIM FINANCIAL REPORT**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When adopting AASB 9, the Company has applied transitional relief and elected not to restate prior periods. Rather, differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.

The adoption of AASB 9 has mostly impacted the following areas:

Classification and measurement of the Group's financial assets

Listed equity investments - Available for sale financial assets under AASB 139 included listed equity investments of \$441,875 at 30 June 2018. These were reclassified to fair value through profit or loss (FVPL) under AASB 9.

There was a transfer of \$167,500 from available for sale financial asset reserve to retained earnings on 1 July 2018.

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Reconciliation of financial instruments on adoption of AASB 9 - 1 July 2018

Measurement Category		Carrying amount				
		Original AASB 139 Classification	New AASB 9 Classification	Closing balance 30 June 2018 (AASB 139)	Adoption of AASB 9	Opening balance 1 July 2018 (AASB 9)
				\$	\$	\$
Financial Assets						
Trade and other receivables	Loans and Receivables	Amortised cost		33,682	-	33,682
Derivatives	FVPL	FVPL		68,500	-	68,500
Listed equities	Available for Sale	FVPL		441,875	-	441,875

Reconciliation of equity for the impact of AASB 9 at 1 July 2018:

	AFS financial assets reserve	Retained Earnings
	\$	\$
Closing balance 30 June 2018 - AASB 139	167,500	11,815,151
Listed equities - Available for sale (AFS) to fair value through profit or loss	(167,500)	167,500
Opening balance 1 July 2018 - AASB 9	-	11,982,651

(b) Basis of preparation

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

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

GIBB RIVER DIAMONDS LIMITED (FORMERLY POZ MINERALS LIMITED) INTERIM FINANCIAL REPORT

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Significant accounting judgements and key estimates

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

In preparing this interim report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2018.

(d) Changes in significant accounting policies

In the half-year ended 31 December 2018, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018.

AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* (2014) became effective for periods beginning on or after 1 January 2018. Accordingly, the Group applied AASB 15 and AASB 9 for the interim period ended 31 December 2018. Changes to the Group's accounting policies arising from these standards are summarised below:

AASB 9 *Financial Instruments* (2014)

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

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).

Subsequent measurement of financial assets

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

- financial assets at amortised cost
- financial assets at fair value through profit or loss (FVPL)

Classifications are determined by both:

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

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.

GIBB RIVER DIAMONDS LIMITED (FORMERLY POZ MINERALS LIMITED) INTERIM FINANCIAL REPORT

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets at amortised cost

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

- they are held within a business model whose objective is to hold the financial assets and 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 Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AASB 139.

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

Financial assets that are held within a 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 FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Research and Development Expenditure

From 1 July 2011, 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.

In prior periods, the Company has recognised the tax incentive for eligible research and development expenditure as an income tax benefit in the Statement of Profit or Loss and Other Comprehensive Income.

The Company has changed its accounting policy to recognise the incentive for eligible research and development expenditure as a grant under AASB 120 *Accounting for Government Grants* resulting in the incentive being credited to the Exploration and Evaluation Asset.

This change has prospectively been applied in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

(e) Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2018. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

FINANCIAL RISK MANAGEMENT

Other aspects of the Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial report as at and for the year ended 30 June 2018.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

4. SEGMENT INFORMATION

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

5. OTHER INCOME FROM ORDINARY ACTIVITIES

	31 December 2018	31 December 2017
	\$	\$
Interest received from financial institutions	14,077	17,440
Other income	190,000	-
Total other income	204,077	17,440

6. FINANCIAL ASSETS

6a Available-for-sale financial assets

Available-for-sale financial assets are recognised at fair value through profit and loss and are classified as fair value through profit or loss financial assets.

	31 December 2018	30 June 2018
	\$	\$
Available-for-sale financial assets – Alloy Resources Limited (AYR)	-	21,875
Available-for-sale financial assets loss – Accelerate Resources Limited (AX8)	-	420,000
Total Available-for-sale Financial Assets	-	441,875

Reconciliation of Available-for-sale Financial Assets

Opening Balance	441,875	9,375
Transfer to financial assets at fair value through profit or loss	(441,875)	-
23 January 2018 value (acquisition)	-	600,000
Change in fair value	-	(167,500)
Closing Balance	-	441,875

6b Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss – Accelerate Resources Limited (AX8) options ⁽¹⁾	24,700	68,500
Financial assets at fair value through profit or loss – Alloy Resources Limited (AYR)	9,375	-
Financial assets at fair value through profit or loss – Accelerate Resources Limited (AX8)	240,000	-
Total Financial assets at fair value through profit or loss	274,075	68,500

Financial assets at fair value through profit or loss relate to shares held in listed entities and the fair value is determined by reference to active market transactions.

(1) 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.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

Reconciliation of Financial assets at fair value through profit or loss		
Opening Balance	68,500	-
Transfer from available-for-sale financial assets	441,875	
23 January 2018 value (acquisition)	-	136,300
Change in fair value	(236,300)	(67,800)
Closing Balance	274,075	68,500

7. EXPLORATION AND EVALUATION EXPENDITURE

Opening balance	1,241,854	1,089,583
Exploration and evaluation capitalised during period	240,196	686,866
Less: Exploration written off	-	(293,694)
Less: Cost of exploration and evaluation projects sold	-	(240,901)
Less: Receipt of research and development incentive	(65,000)	-
Less: Transfer to assets held for sale	(668,092)	-
Closing balance	748,958	1,241,854

8. ASSETS CLASSIFIED AS HELD FOR SALE

	31 December 2018	30 June 2018
	\$	\$
Carrying value of assets held for sale ⁽¹⁾	668,092	-
Closing balance	668,092	-

(1) In November 2018 the Company granted an Option to sell 100% of its wholly owned Highland Plains Phosphate Project in the Northern Territory to a private Canadian company, ILS Resources Inc (formerly P2O5 Resources Inc ('P2O5')). The initial Option fee payment of \$100,000 (plus GST) has already been received and a further \$100,000 (plus GST) was paid in March 2019. Should P2O5 exercise the option the sale price is \$2,500,000 cash (plus GST), a 1.5% Free Alongside royalty and 10% of the shares in P2O5.

Opening balance	-	-
Add Transfer from exploration and evaluation expenditure	668,092	-
Closing balance	668,092	-

9. ISSUED CAPITAL

	31 December 2018	31 December 2018	30 June 2018	30 June 2018
	Shares	\$	Shares	\$
Opening balance	179,079,445	15,749,292	161,168,333	14,590,606
Shares issued from exercise of options	-	-	6,800,000	213,950
Share placement 2/3/18	-	-	5,555,556	500,000
Shares purchase plan 19/3/18	-	-	5,555,556	500,000
Share issue costs	-	-	-	(55,264)
Closing balance	179,079,445	\$15,749,292	179,079,445	\$15,749,292

**GIBB RIVER DIAMONDS LIMITED (FORMERLY POZ MINERALS LIMITED)
INTERIM FINANCIAL REPORT**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

10. RESERVES

Share option reserve	31 December	31 December	30 June	30 June
	2018	2018	2018	2018
	Options	\$	Options	\$
Opening balance	19,900,000	165,877	12,200,000	116,070
Consultant options 16/10/17	-	24,995	6,000,000	35,046
Directors options 26/10/17	-	27,927	5,000,000	37,641
Employee options 26/10/17	-	2,793	500,000	3,764
Consultant options 20/2/18	-	51,275	3,000,000	36,506
Employee options 7/11/18	500,000	862	-	-
Less – exercised options	-	-	(6,800,000)	(63,150)
Less – expired options	(5,400,000)	(52,920)	-	-
Closing balance	15,000,000	220,809	19,900,000	165,877

**GIBB RIVER DIAMONDS LIMITED (FORMERLY POZ MINERALS LIMITED)
INTERIM FINANCIAL REPORT**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

10. RESERVES (CONTINUED)

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.

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

INPUT	BUNUBA OPTIONS	DIRECTORS OPTIONS	EMPLOYEE OPTIONS	WARRWA 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	\$0.09
Grant date	16/10/17	26/10/17	26/10/17	20/02/18	07/11/18
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
Expensed to 31/12/18	60,041	65,568	6,557	87,781	862

(i) The expected price volatility is based on the historic volatility (based on the remaining life of options), adjusted for any expected changes to future volatility due to public available information.

11. COMMITMENTS AND CONTINGENCIES

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

Operating Lease Commitment:

The Company entered into a rental agreement commencing 16 May 2018 for a period of 24 months to 15 May 2020.

<u>Office Rental</u>	31 December 2018	31 December 2017
	\$	\$
Due within 1 year	58,869	20,269
Due 2 to 5 years	22,199	-
Total other income	81,068	20,269

GIBB RIVER DIAMONDS LIMITED (FORMERLY POZ MINERALS LIMITED) INTERIM FINANCIAL REPORT

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

11. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Exploration Expenditure Commitments

The Company has minimum statutory commitments as conditions of tenure of certain mining tenements. Whilst these obligations may vary, a reasonable estimate of the minimum commitments if it is to retain all of its present interests in mining and exploration properties is \$214,600 (30 June 2018: \$234,600).

12. RELATED PARTY TRANSACTIONS WITH DIRECTOR RELATED ENTITIES

During the half year, a company associated with Grant Mooney were paid for company secretarial services provided to the Company totalling \$24,000 (2017: \$24,000).

Arrangements with other related parties continue to be in place. For details of these arrangements, refer to the 30 June 2018 annual financial report.

13. EVENTS AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the half year which have significantly affected or may significantly affect the operations or the state of affairs of the Company in the future financial years, other than the following:

- On 11 March 2019, the Company received a further option fee of \$100,000 (plus GST) from ILS Resources Ltd (previously called P205 Resources Inc) to further extend the Highland Plains option period for another 3 months to 14 June 2019.

14. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS

Fair value hierarchy

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

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

The Company's financial assets and financial liabilities measured and recognised at fair value at 31 December 2018 and 30 June 2018 on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
31 December 2018				
Listed equities	249,375	-	-	249,375
Unlisted options	-	24,700	-	24,700
Total	249,375	24,700	-	274,075
30 June 2018				
Listed equities	441,175	-	-	441,175
Unlisted options	-	68,500	-	68,500
Total	441,175	68,500	-	509,675

**GIBB RIVER DIAMONDS LIMITED (FORMERLY POZ MINERALS LIMITED)
INTERIM FINANCIAL REPORT**

DIRECTORS' DECLARATION

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

- (a) the financial statements and notes of the entity are in accordance with the *Corporations Act 2001*, including:
 - i. give a true and fair view of the Company's financial position as at the 31 December 2018 and of its performance for the half-year ended; and
 - ii. comply with Australian Accounting Standards (AASB 134 *Interim Financial Reporting*);
- (b) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



JAMES RICHARDS
Chairman



GRANT MOONEY
Non-Executive Director/Company Secretary

Perth, 15th March 2019

Independent Auditor's Review Report

To the Members of Gibb River Diamonds Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Gibb River Diamonds Limited (the Company), which comprises the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Gibb River Diamonds Limited does not give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Directors' responsibility for the half year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Gibb River Diamonds Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner – Audit & Assurance

Perth, 15 March 2019