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Bluebird Merchant Ventures Limited
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Bluebird Merchant Ventures Ltd ('Bluebird' or 'the Company')

Initial Scoping Study at South Korean Gold Projects

NPV10 of US$181m & Post Tax IRR of 111%

Bluebird Merchant Ventures Ltd, a gold company primarily focused on bringing historic mines back into production, is delighted to announce a Scoping Study ('the Study') for its Kochang and Gubong Gold Projects in South Korea (together 'the Projects').

OVERVIEW

- Results of the Study show excellent initial validation of the Projects' economic potential.
- At US$1,750 gold price, for production from two operations with a cumulative c.400Ktpa VAT leach processing delivers:
  - o 111% Post Tax Internal Rate of Return ('IRR').
  - o US$181m net present value ('NPV') at 10% discount rate.
  - o US$50m per annum average free cash flow generation.
  - o US$630 per oz All in Sustaining Cost ('AISC').
  - o Less than US$600/oz average operating cost.
  - o Strategy to minimise risk by completing a proof of concept at Kochang to produce a small amount of gold. This relatively inexpensive exercise will provide confidence in the key parameters such as grade, recovery, production and processing, community and government support etc
  - o Capital Expenditure ('capex')
    - § £1m for the pre-production proof of concept
    - § Additional US$6m to progress from proof of concept to 5Koz Au pa production at Kochang.
    - § A further US$5m for 12Koz Au pa - of which US$3m will come from production cash surplus.
  - o Payback period of less than 2.5 years.
- Excellent potential to increase Mineral Resources given vein extensions in unmined areas across both mines.
- Exploration target of 1.5Moz + gold from Kochang and Gubong.
- Discussions with project financiers and streaming partners ongoing.

Bluebird Merchant Ventures CEO Colin Patterson said, *"The numbers from this Scoping Study, including a post-tax NPV of US$181m, free cash of US$50m per annum and an IRR of 111%, give us a huge amount of confidence in the economic potential of our South Korean projects, and highlights the potential of this c.£12m market cap company. We believe the mines have cumulative estimated target resources of c.1.5Moz Au, garnered from data from the historical operators, Korea Resources Corporation ('KORES') and work conducted by the Bluebird team. Due to the geology and metallurgy, we have decided on a simple VAT leach processing route, which positively impacts the CAPEX and OPEX, and the AISC estimated at US$630, one of the lowest on the market today.*

"Once the Temporary Mountain Use Permits are granted, which we have been told by our representatives in South Korea is imminent, we are all systems go. We have our extraction licences already and as depicted in the report below, there is a significant ore at a viable grade that was classified by the "old timers" some 50 years ago as waste ore, that we can feed the initial plant at Kochang with. The Board is excited about the opportunity in South Korea especially as we have already personally invested some c.US$2+ million directly and taken in stock in lieu of fees, so have skin in the game.

"Finally, we hope to update the market on our streaming discussion to fund the mine development as well as on progress from our new local partner in the Philippines who are advancing the high grade Batangas Gold Project to a production decision in return for equity. This deal provides us with a free carry and allows us to focus on South Korea where we aim to deliver two high margin and highly profitable mines."

DETAILS:

Executive Summary:

A recent review and update of the preliminary Scoping Study ('the Study') has been undertaken by the Company's technical team on the Kochang and Gubong historic gold mines in South Korea. The results of the review show excellent initial validation of the Project's future economic potential. The Company estimates that there is c.1.5Moz across the two project areas that it will target. A processing methodology of VAT Leach ('VL') was preferred for both mines with a c.400Ktpa processing ability across the two mines. The Company has scoped the size of the Project on the basis that the current mine life will extend significantly with planned production growth and explorative/confirmatory studies.

February 2023 Scoping Study Results for the next 13 years

Vat Leach growing to	**400Ktpa (US$1,750)**
Ore Mined (Mt)	2.2Mt
Grade (g/t)	Varies 2.5-7g/t
Mined gold (Ozs)	345,615
Produced Silver (Ozs)	934,843
Recovery (%)	80% Au recovery and 60% Ag recovery
Avg Production/year (Ozs) over period	42Koz pa
Avg AISC/year (US$/oz)	US$662/oz
Avg Free Cash Flow/year (US$m)	Approx. US$50m
IRR (%, post tax)	111
NPV (10% discount, US$m, post tax)	181
Pre-production capex (US$m)	7
Total capex (US$m)	29
Initial Life of Mine ('LoM')	13 years

Mineral Resources:

The Company estimates the mines have a cumulative target recoverable resources of c.1.5Moz Au. This figure is garnered from data from the historical operators, state run Korea Resources Corporation ('KORES'), plus studies

that have been carried out by the BMV team.

The quality of data, grade analysis and geological modelling have translated into an extensive understanding and de-risking of the opportunity. The Board recognises JORC but believes this is primarily used effectively in extensive exploration projects. BMV is not an exploration company, it is re-establishing production with existing geological data that is of a high quality. The resource data and grade continuity will be tested and confirmed as the mining operations advance along the veins, which have been already identified and mapped providing strike length data. The potential re-drilling expenses to obtain JORC status will instead be utilised in trial mining and bringing the mines back into production.

The initial estimated resource potential (see below) at the Kochang Gold and Silver Mine is 116K oz Au and additional samples of broken ore and footwall material underpin the economics providing starter grades of between 2.5-4g/t. Four main veins and a number of parallel subsidiary veins have been identified, as well as a new cross-cutting vein. Workings extend over @ 2.5km including gold (Main Vein) and silver (South Vein) mines with @ 600m between the two mines not exploited. The current non JORC estimate is between 550,000 and 700,000 tonnes, with a range of grades between 5.2 g/t to 6.6 g/t gold, and 27.3 g/t to 34.8 g/t silver. The depth of the mine below the hill is only 150m to the adit on 245 Level, with the veins outcropping on top of the hill. The typical depth of these vein systems is in excess of c. 1.5km.

The Gubong mine is open at depth and along strike and has a regional extent of 3-4km. The KORES historical resource figures are 2,346,440t @ 7.36g/t Au (555,299 oz Au). The ore body has a flat dipping structure with 9 veins extending 500m below surface and known to extend at least a further 750m. 4-5 veins were worked which were merging at depth. Of the 9 veins known plus the additional Danbong, Bongnam and Gubong veins, only a few were mined and other veins in this system have potential to be productive. Importantly the strike length is c.1,500m and the dip length approx. 1,800m which would entail mining down to c.500m below surface. The Board is highly confident of a non JORC mineral resource potential of c.1.3Moz at Gubong. The mines were economic using outdated techniques and processing, producing in excess of 1Moz Au equivalent, on a weak gold price. The Company understands grade control and will follow the vein systems negating the need for full blown exploration.

Mining:

Following the clean out which will provide extremely cheap high-grade feed for a plant, the Company will be targeting small remnant pillars, and the substantial un-mined areas both within and outside the historic mined area. The plan is to commence mining at Kochang adjudged to be the easier target.

At Kochang following preparation, the team will use an industrial vacuum unit, together with a portable crusher, multi-purpose mobile unit for excavating, loading, lifting, levelling and transporting rock. The IVAC pump is a suction unit which collects dirt up to 75mm in cross-section into a tank and then uses the air to force the rock to a suitably placed stockpile. When the stoping stage is reached, an Alimak raise climber will be used to develop 40-60m raises over 2 levels. These will be set at 13m intervals on strike leaving a 10m panel between them. Starting from the bottom of the raise, 5m horizontal rock-drill holes will be charged for blasting from each side of the panel. The resultant rock will be delivered by compressed air scraper winches to the loaders & dump trucks, or the IVAC unit for delivery to the plant stockpile.

The Gubong project is the same as Kochang in its determining factors, products and the manner in which it will be mined. It differs in that it is a larger, deeper mine, moderate-to-shallow dipping and flooded below the lowest accessible level. The mine was started in a 90m high hill. The opening up of Gubong will entail dewatering down to the second level below the valley floor, and then cleaning and mining the area underneath the hill. For the

remaining areas of the old mine, it will be dewatered level by level, using the water for mining until the current lowest level is reached.

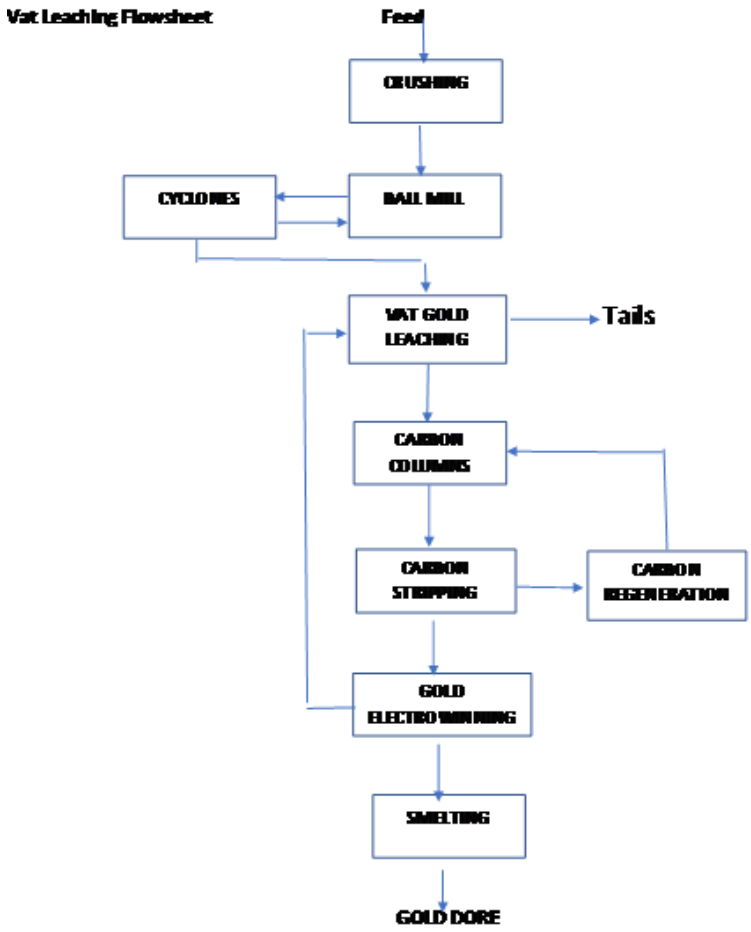
In essence the Kochang mine is a narrow veined and steeply dipping deposit which will utilise gravity methods of cleaning whereas Gubong is moderately (25-35 degrees) narrow veined (wider than Kochang) and moderate-to-shallow dipping necessitating scraper winch or other mechanised forms of cleaning.

Mining Process Route:

The initial production in 2023-4 will be at Kochang where the gold ore will be crushed to 12 mm size, followed by grinding to a suitable size (for example 80% passing 0.075 mm). The ground ore is classified by cyclone with oversize material returning to the ball mill.

The cyclone overflow is directed to 4 gold leaching vats. Ore is loaded into a first vat and gold leaching is carried out in two succeeding leaching vats with the fourth vat being unloaded. A novel environmentally friendly gold leaching reagent, such as cycladex, will be used. Aerated leach solution is flown through the two leach vats in counter current fashion producing a gold pregnant solution. Leach tailings solids are unloaded from the 4th vat and can be filtered to produce essentially dry tailings. The vats are rotated with fresh ground ore loaded into the unloaded vat and the second leach vat becoming the unloading vat. The previously loaded vat becomes the new first leaching vat.

The pregnant gold solution is passed through a series of carbon columns where dissolved gold is absorbed onto the carbon. Loaded carbon is acid washed and then eluted, followed by gold plating onto wire mesh in electrowinning cells. This produces a gold sludge which is melted with flux reagents into gold dore.



The process route at Gubong will be similar to Kochang with proceeds from Kochang invested into the starting of the second operation. This is targeted for 2025.

Capital and Operating Cost Estimation

A mining cost model has been developed assuming a plant on each site. This cost estimation is based on an owner operated option. All capital and operating costs have been estimated from first principles but based on the team's experience of narrow vein mining and mine rehabilitation. The capital cost estimation includes equipment purchase, replacement and rebuild costs, as well as mobilisation/demobilisation and site establishment costs. In addition to the capital cost categories a 10% capital cost contingency is applied to both the owner operated and contractor options.

Mining Licenses:

There is a defined licencing process in operation in South Korea operated under the Mining Industry Act. The Company has a 13-year mining/extraction licence in place for both Kochang and Gubong that was issued by the Ministry of Mines at the start of 2020. These licenses are renewable for further periods based on the life of mine potential. The Company is awaiting the issuance of a Temporary Mountain Use Permit for both licence areas to enable it to use the surface land at the mine sites. The Company has been informed by its advisors that the issuance is imminent.

This announcement contains inside information for the purposes of article 7 of the market abuse regulation EU 596/2014 ("MAR").

****ENDS****

For further information please visit https://bluebirdmv.com or contact:
Colin Patterson by email: colin@bluebirdmv.com

About Bluebird:

Bluebird Merchant Ventures Ltd (BMV.L) is a London listed South Korea-focused resources company centred on bringing historically producing gold mines back into production. The Company, led by a team of proven mine rehabilitation experts, currently has two 100% owned licensed high grade narrow vein mining projects, the Kochang Gold and Silver Project ('Kochang') and the Gubong Gold Project ('Gubong'), which each have a defined route to low cost/ low capex production with a cumulative target of producing 100,000 oz + Au per annum. Additionally, the Company has the highly prospective Batangas Gold Exploration Project in the Philippines, which has a resource of 440,000oz Au of which 128,000oz Au inclusive of silver credits is a maiden reserve, and has had c.US$20m invested in it to date. The management team has invested cUS$2 million personally into the Company and believe, following analysis of historic production and exploration data, as well as extensive sampling, geological, geophysical, and engineering studies, there is potential for in excess of 1.5 million oz of mineable gold in its Korean projects alone.

Kochang is an epithermal vein deposit with parallel vertical ore bodies covering 8.3 sq km that reportedly produced 110,000 oz of gold and 5.9 million oz of silver between 1961 and 1975. Consisting of a gold and silver mine, there are currently four main veins and a number of parallel subsidiary veins vein which have been identified, as well as a newly identified cross-cutting vein. Historic drilling indicates the veins continue to depth below the current 150m mine and mapping shows the veins on surface providing potential above and below the old workings. The veins extend to the NE providing a strike length of 2.5km with 600m between the two mines not exploited. There is potential to expand operations to the southwest/northeast and to depth, as well as exploit the already mined areas. The total current non JORC estimate is between 550,000 and 700,000 tonnes, with a range

of grades between 5.2 g/t to 6.6 g/t gold, and 27.3 g/t to 34.8 g/t silver. Following the granting of a Mountain Use permit, there is an estimated 6-to-9-month development time to trial mining.

Gubong, which was historically the second largest gold mine in South Korea has 9 granted tenements covering c.25 sq km. Gubong is moderately dipping with 9 veins extending 500m below surface and known to extend at least a further 250m. However, the production opportunity for Bluebird prior to looking at deepening the mine is the 25 levels already developed with all the remnants and unmined areas left by the original miners. The 25 levels extend over 120km in total length which indicates the size of the opportunity. The Korea Resources Corporation ('KORES') estimated 2.34M tonnes at some 7.3g/t Au garnered from 57 drill holes over 17,715.3 metres. With additional sampling, mapping, pit modelling and grade analysis, plus the fact that Gubong is an orogenic deposit, which typically have a depth of 2km compared to the current depth of 500m, the Board believe it has a potential resource of 1 million + oz Au in-situ, plus an estimated additional 300,000 oz Au from satellite ore bodies.

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