RNS Number : 1929K
Bluebird Merchant Ventures Limited
23 August 2023

Bluebird Merchant Ventures Ltd / EPIC: BMV.L / Market: FTSE / Sector: Mining

23 August 2023

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

Catalyse Capital agrees to buy Southern Gold's shareholding in Bluebird

Bluebird Merchant Ventures Ltd, a gold company primarily focused on bringing historic mines back into production, is pleased to announce that Catalyse Capital Ltd ('Catalyse'), a long running and supportive shareholder of Bluebird, has agreed to acquire Southern Gold Limited's ('Southern Gold') 122.5 million shares in the Company ('the Agreement'). The Board believes that the share purchase by Catalyse, that recognises the true potential of the Company's South Korean and Filipino gold projects, will remove a significant perceived 'overhang' in the trading of Bluebird's shares and allow investors to focus on the inherent value of the three-project portfolio.

Under the terms of the Agreement, Catalyse has agreed to purchase an initial 22.5 million shares in Bluebird at 0.55p per share with settlement due on the 28 August 2023. Southern Gold's remaining 100 million share will be purchased by Catalyse in four tranches of 25 million shares each, to be settled monthly from September to December 2023. Each of the four tranches will be priced at 75% of each month's VWAP for Bluebird's shares with a floor price of 0.4 pence.

Southern Gold's existing shareholding of 122.5 million shares represents 17.8% of the issued capital of Bluebird. They initially received the shareholding when Bluebird purchased the Gubong and Kochang projects, which was satisfied through the issue of 200 million shares in Bluebird at a price of 3.6p per share. Southern Gold has been aggressively selling down its equity position in Bluebird as it implements its well documented change in strategy, which is now focused on the commercialisation of its battery technologies and critical minerals exploration in South Korea, rather than gold. It has already sold 26.25 million shares in Bluebird.

The Board continues to focus on attaining its Mountain Temporary Use Permits in South Korea. The Company awaits the decision of the Board of Audit and Inspection regarding Kochang and is progressing with an influential strategic partner regarding Gubong. Furthermore, its JV partner in the Philippines continues to advance the Batangas Gold Project ('Batangas') which has received the Certificate of Approval from the Mines and Geosciences Bureau for its Two-Year Community Development Plan and is now finalising a drill programme for the next phase of development aimed at bringing the high-grade Lobo area into production.

Bluebird CEO Colin Patterson said, *"Catalyse has been a long-standing supporter of Bluebird and we welcome this staged transaction to exit Southern Gold from our register. With three high grade gold projects, including an estimated 1.5m oz Au in South Korea and close to 450,000 oz Au in the Philippines, a free carry to a production decision at Batangas, supportive local partners, heavily invested management, cash, and no debt, Catalyse recognises the potential of the Company.*

"Southern Gold's selling, caused by their strategic shift away from gold and into critical metals, has undoubtedly affected our share price, and to ameliorate the Southern Gold situation is good news. The Board and investors can now focus on

the positives of the business, the securing of the Mountain Temporary Use Permits for both the Gubong and Kochang historic gold mines and the progress being made by our Philippine JV partner at Batangas where it is finalising the eagerly awaited drill plan, a campaign which we believe will further quantify the project's excellent potential."

Catalyse Capital said, "As a large holder of stock in Bluebird Merchant Ventures over the last 3 years and a previous supplier of material capital to protect equity investors, our interests are in sync with current shareholders and the management of Bluebird, who themselves are large holders. By taking out Southern Gold we hope that the market will properly value Bluebirds fantastic assets in Korea and the Philippines, which we eagerly await news on."

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	Bluebird Merchant Ventures Ltd	Email: colin@bluebirdmv.com
Nick Emmerson	SI Capital	Tel: 01483413500

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.

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 resource potential 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 geological potential of 1 million + oz Au in-situ, plus an estimated additional 300,000 oz Au from satellite ore bodies.

Additionally, the Company has the highly prospective Batangas Gold Exploration Project in the Philippines, where it has an agreement with a Philippine company, whose owners have decades of experience in mining, to develop the Project. The JV covers the entire Batangas Project area, which has a current JORC compliant resource of 440,000 ounces, including a maiden ore reserve of 128,000 ounces (including silver credits). Exploration expenditure to the tune of c.$20m has already been invested. Work is focused on completing Exploration and Environmental Work Programmes initially targeting the high-grade Lobo area, although there is excellent exploration potential across the licence with high-grade targets already identified and 14km of identified mineralised structures. The staged agreement is based on the JV partner achieving defined development goals and provides Bluebird with a free carry on the development of Batangas with a view to advancing to construction.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

AGRGDGDIDSDDGXX