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Bluebird Merchant Ventures Limited
26 May 2020

Bluebird Merchant Ventures Ltd

(the "Company" or "Bluebird")

Funding Update

Bluebird Merchant Ventures (EPIC: BMV), the Korean focused gold development group is pleased to announce an update with regards to funding the South Korean projects to production.

On 26 March 2020 the Company announced that it had "entered into a legally binding agreement with a South Korean company in respect of non-dilutive funding to bring about gold production in South Korea" and further that the "agreement creates a path to provide USD 5 million of debt finance that will be repaid from future gold production". The Company is pleased to report that the South Korean company has successfully completed its due diligence and has advanced to the point at which financing terms will be confirmed shortly. The financing, if successful, is expected to be received by the end of July. Whilst the Company remains optimistic for a successful conclusion to the funding path there can be no guarantee of such.

Upon receipt of funding, the South Korean projects will progress to production as announced previously on 17 December 2019 with initial mining commencing in 6 months and gold production some 3 months later. Both mines will continue to expand their mining area and build up inventory whilst the process plant design is completed and constructed. The estimated average cash cost per ounce (C1 level) is USD 576 per ounce. This is based on both mines over the initial 3 years of production. The cost of the initial production phase to the joint venture is USD 2.2 million with the Company being responsible for 50% of the joint venture costs. Over a 3 year period gold production will largely grow organically from 10,000 to 30,000 ounces per annum. A further USD 7 million of capital will be injected during this period, however the bulk of this will be contributed from cash flow from production.

Exercise of Warrants

The Company has received a notice of exercise of a warrant over 3,846,153 new ordinary shares of the Company at a price of 1.3 pence per share ("Warrant Shares"). The Warrant Shares relate to the announcement on 26 March 2020 and the proceeds of £50,000 have been applied towards the repayment of the loan amount of £200,000 that was announced on 26 March 2020.

Issue of Equity

The Company has issued 1,200,000 new ordinary shares of the Company at a price of 3.742 pence per share ("Fee Shares"). The Fee Shares have been issued in lieu of cash fees due to an adviser with a notional value of £44,904.

The Company has issued 1,851,919 new ordinary shares of the Company at a price of 2.5 pence per share and 1,164,517 new ordinary shares of the Company at a price of 2.5017

pence per share ("Loan Conversion Shares"). The Loan Conversion Shares relate to an outstanding loan amount of US$ 57,178 that was announced on 10 April 2017 and £29,133 of short term loan funding that was received in the fourth quarter of 2019.

The Warrant Shares, Fee Shares and Loan Conversion Shares rank pari passu with the Company's existing issued ordinary shares and application will be made for the Warrant Shares, Fee Shares and Loan Conversion Shares to be admitted to the Main Market of the London Stock Exchange.

The Company's issued ordinary share capital, as enlarged by the share issuance will be 381,925,179 ordinary shares. This figure of 381,925,179 ordinary shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

The Directors note that the Issue of Equity substantially improves the balance sheet of the Company as it progresses towards production in South Korea.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION EU 596/2014 ("MAR").

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Jonathan Morley-Kirk, Non-Executive Chairman

Notes to Editors

The Gubong mine was once the second largest producing gold mine in South Korea until its closure in 1971 when gold prices were US$40 per ounce. The mine consists of nine shallow dipping stacked veins. Although production was mainly from vein number six, five other veins were mined from 1928 until its closure. Over 17,000 metres of drilling was carried out over the years and there are over 120 kilometres of existing underground development.

The Kochang mine is a gold-silver mine that operated between 1928 and 1975 and produced over five million ounces of silver at over 1,000 g/t and 110,000 ounces of gold at 19.6 g/t. This gold production was mainly derived from the three main veins at the North East end of the "Gold Mine" part of Kochang, with the majority of the silver production from the "Silver Mine" some 2.5 kilometres to the south west. The mine closed in 1975 when the gold price was USD 140 per ounce. Today the mine consists of three steeply dipping veins. Bluebird has opened up three kilometres of original development, taken over 400 samples and has confirmed process viability by carrying out initial metallurgical test work.

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