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Bluebird Merchant Ventures Limited
30 June 2020

Bluebird Merchant Ventures Ltd

(the "Company" or "Bluebird")

Annual Report and Accounts for the Period Ending 31 December 2019

Bluebird Merchant Ventures (EPIC: BMV), the Korean focused gold development group is pleased to announce the publication of its Annual Report and Accounts for the period ending 31 December 2019.

GROUP INFORMATION

Directors	Jonathan Morley-Kirk	Non-Executive Chairman
	Aidan Bishop	Executive Director
	Colin Patterson	Executive Director
	Charles Barclay	Executive Director
	Clive Sinclair-Poulton	Non-Executive Director
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CHAIRMAN'S REPORT

This Annual Report shows that progress is being made in South Korea. The Company has established formal JV companies with our partner Southern Gold Ltd. A great deal of progress has been made on both Gubong and Kochang permits. In September 2019 we received notice that the "Permit to Develop" had been by the Korean Authorities enabling us to move the Gubong project forward. The team has worked very hard in moving the project forward with the various levels of government in South Korea. This would be the first permit issued in South Korea to a foreign company to operate a gold mine in over 15 years. This progress has been much quicker than in many other jurisdictions around the world. The team in South Korea have worked with the various Authorities to enable all the necessary approvals to be obtained. This close working relationship should help as the Company moves into the production stage. In December 2019 the Company received the Permit to Develop and Operate the Kochang mine for an initial period of 13 years and is renewable thereafter.

At present the Batangas project, like many others, is under care and maintenance. The Philippines government does appear to be less openly hostile to mining in general but is not yet sanctioning sanctioning new permits at present. What the future brings only time shall tell.

During the period, in which the Company changed its accounting reference date to 31 December in order to align its year end and accounting process with the South Korean

companies holding the permits, the Company published a Prospectus which allowed for a number of legacy items and salary sacrifice amounts to be issued in shares. This preserved cash for the Company. My thanks go to my colleagues for waiting a long time to have these shares issued. The balance sheet is now in a much better shape than last year.

The Board considered it appropriate to continue to follow IFRS and to write the investment in Batangas down to zero in the financial statements. This would save time and shareholders money on trying to value the investment in Batangas to avoid a specific audit qualification. The underlying results of the Group, ignoring the investment in Batangas write off, show that the loss for the 18 month period ended 31 December 2019 (USD 2,239,409) is in line with the year ended 30 June 2018 (USD 1,735,984).

Many shareholders have contacted me throughout the period with questions and I have tried to answer these as soon as possible within the constraints of a listed company. It is hoped that the Company will be in a position next year to show those interested shareholders the operations in South Korea.

The exciting projects in South Korea are pushed forward by a dedicated team lead by Colin and Charles. Without their drive, experience and passion for the success of these projects would have been a great deal harder to achieve.

Jonathan Morley-Kirk
Chairman,
29 June 2020

CHIEF EXECUTIVE'S COMMENT

I am pleased that the Company continued to progress during the 18 month period.

In October 2018 the Company completed the farm-in requirements at Kochang and earned a 50% stake in the project. Subsequently the joint venture at Kochang was formed.

On 13 June 2019 the Company published a Prospectus which improved substantially our balance sheet through the conversion of investments and settlement of salary sacrifice and liabilities largely made to Management.

On 10 September 2019 the Company advised the market that we had received formal notification from the Ministry of Trade, Industry and Energy (MOTIE) regarding the approval of the "Permit to Develop" at Gubong. The final application approval was notified to the market on 08 November 2019. The Kochang application approval was notified to the market on 17 December 2019.

I look forward to future Annual Reports where we will be able to report on actual gold production numbers.

I would like to thank our shareholders for their ongoing support as the Company seeks to bring about gold production in South Korea.

Colin Patterson
Chief Executive Officer
29 June 2020

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Group for the 18 month period ended 31 December 2019.

The Company

Bluebird Merchant Ventures Limited, the parent company, is registered and domiciled in the British Virgin Islands.

Results and Dividends

The Company has amended its accounting date to 31 December to align with the South Korean Joint venture companies and the results of the Group for the extended 18 month period ended 31 December 2019 are set out in the audited financial statements, and notes, and show a loss of USD 4,381,009 - inclusive of the write off of Batangas of USD 2,141,600 (30 June 2018 showed a loss of USD 1,735,984).

The Directors do not recommend the payment of a dividend for the 18 month period ended 31 December 2019 (2018 Nil).

Future Developments

The Group's future developments are outlined in the Strategic Report section.

Principal Risks and Uncertainties

The principal business risks that have been identified are as below.

South Korean Projects

The Company formalised the Joint Ventures for the Gubong and Kochang Project with Southern Gold Limited during the period ended 31 December 2019.

The detailed reports reviewed the economics of re-opening these mines and will be used as the basis for further planning, scoping and management of the projects. This will entail future funding requirements which will be dependent on future equity market conditions. Mining, by its nature, is impacted by many factors and subject to unforeseen circumstances.

On 10 September 2019, the Company announced that confirmation had been received that the "Permit to Develop" the Gubong Mine has been granted. The Company received the same for the Kochang Mine on 17 December 2019.

Batangas Project

In relation to the Philippines the on-going regulatory environment remains the key risk.

The Company has continued to place the Batangas Gold Project under *care and maintenance* due the uncertain regulatory environment and as such no significant expenditure is planned over the near term. Permitting remains the key risk and there can be no guarantees that the Batangas Gold Project will receive the necessary permissions in order to move into the production phase.

The Company has impaired fully the Batangas Project as noted in the Chairman's Report.

Going Concern

At the period end the Group had current liabilities of USD 1,188,641, inclusive of USD 625,804 to be paid in equity, and incurred losses of USD 2,239,409, exclusive of the write-off of the investment in Batangas, in the period.

Based on financial projections prepared by the Directors, the Group's current cash resources are insufficient to enable the Group to meet its recurring outgoings and projected development expenditure for the entirety of the next twelve months. However, the Directors have a reasonable expectation that the Group will continue to be able to

meet its commitments for the foreseeable future by raising funds when required from either the debt or equity capital markets.

COVID-19, and the uncertainty over its duration, is also creating volatility in capital markets and will make raising additional funds from any source significantly more challenging.

The Directors continue to adopt the going concern basis of accounting in preparing the financial statements, but note that there is a material uncertainty over the ability of the Company and the Group to fund the recurring and projected expenditure, including development of the Group's key assets (refer note 2 of the audited financial statements).

Corporate Governance

The Company is registered in the British Virgin Islands. The Company is not required to comply with the provisions of the UK Corporate Governance Code. The Directors have responsibility for the overall corporate governance of the Company and recognise the need for appropriate standards of behaviour and accountability.

The Directors are committed to the principles underlying best practice in corporate governance and have regard to certain principles outlined in the UK Corporate Governance Code to the extent they considered appropriate for the Company given its size, early stage of operations and complexities.

Company Directors

	Position	Appointed	Audit Committee	Remuneration Committee	Health & Safety Committee
J. Morley-Kirk	Non-Exec. Chairman	Mar-14	Chair	Member	Member
C. Sinclair-Poulton	Non-Exec. Director	Sep-15	Member	Chair	Chair
A. Bishop	Executive	Mar-14	-	-	-
C. Barclay	Executive	Mar-17	-	-	Member
C. Patterson	Executive	Sep-15	-	-	-

Internal Control

The Directors acknowledge they are responsible for the Group's system of internal control and for reviewing the effectiveness of these systems. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of the Group failing to achieve its strategic objectives. It should be recognised that such systems can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has well established procedures which are considered adequate given the size of the business.

The Group is at an early stage in its development and directors and senior management are involved directly in approving all significant investment and expenditure decisions of the Company and its subsidiaries and associate.

Audit Committee

The Audit Committee, which comprises two Non- Executive Directors, Jonathan Morley-Kirk and Clive Sinclair-Poulton, is responsible for ensuring that the financial performance of the Group is properly monitored and reported upon and that any such reports are understood by the Board. The Committee meets at least twice each year.

Health, Safety and Environment Committee

The Group is committed to providing a safe, healthy and sustainable environment for all its employees, contractors, visitors and neighbours. The Group strives actively to identify and manage the potential direct and indirect effects of all its activities and reviews this at Board level through its HS&E Committee.

Remuneration Committee

The remuneration of the Executive Directors is fixed by the Remuneration Committee, which comprises two Non-Executive Directors and is chaired by Clive Sinclair-Poulton. The Remuneration Committee is responsible for reviewing and determining the Company policy on executive remuneration and the allocation of long-term incentives to executives and employees. The remuneration of Non-Executive Directors is determined by the Board. In setting remuneration levels, the Group seeks to provide appropriate reward for the skill and time commitment required in order to retain the right caliber of Director at an appropriate cost to the Group.

The remuneration paid to, or receivable by, Directors in respect of 2019 and 2018 in relation to the period of their appointment as Director are:

	Receivable in Cash (USD)		**Receivable in Equity (USD)**	
	in the period to 31-Dec-19	**in the year to 30-Jun-18**	**in the period to 31-Dec-19**	**in the year to 30-Jun-18**
Executive Directors				
A. Bishop	36,492	-	60,501	150,000
C. Barclay	42,360	91,422	72,525	51,304
C. Patterson	-	-	125,526	120,794
Non-Executive Directors				
J. Morley-Kirk	-	-	52,978	35,413
C. Sinclair-Poulton*	14,914	-	23,230	25,497
Total	**93,766**	**91,422**	**334,760**	**383,008**

***** Amounts are payable to a non-related party

The amounts exclude recharges of USD 55,301 to the JV companies and not included in the Group's Statement of Income.

The amounts in Receivable in Equity for 2018 and amounts up to 30 April 2019 were issued under the June 2019 Prospectus. Amounts after 30 April 2019 have been approved by the Board, but the Directors have agreed for the issuance to be deferred to a later date yet to be specified (note 21 of the audited financial statements). The Directors have agreed to convert USD 85,499 of the USD 93,766 shown as Receivable in Cash in the period to 31 December 2019 post period end.

In addition to Directors agreeing to take remuneration in equity to assist the Group's cash flow and working capital, Directors continued to provide financial support to the Group - including an additional loan of USD 400,000 from a party related to Colin Patterson and the Directors agreeing to their April 2017 loan notes and the USD 350,000 loan from a party related to Colin Patterson being taken as equity rather than cash as outlined in the June 2019 Prospectus.

Share Capital

At 31 December 2019 the issued share capital of the Company stood at 366,001,617 - with 150,827,679 new shares having been issued during the period. The issuances are detailed in note 21 to the audited financial statements.

Employees

The Group has a policy of equal opportunities throughout the organisation and is proud of its culture of diversity and tolerance. Employees benefit from regular communication both informally and formally with regard to Company issues.

Directors Indemnity Insurance

The Company has purchased standard insurance cover on behalf of the Directors indemnifying them against certain liabilities which may be incurred by them in relation to the Group.

Events after the Reporting Date

The events after 31 December 2019 are detailed in note 25 of the audit financial statements.

COVID-19

The ability of the Company to progress fund raising has been and is expected to remain constrained for so long as current market conditions and general concerns amongst investors prevail.

The COVID-19 pandemic has had limited effect on operational progress so far due to the measures taken by the government of the Republic of Korea. However, the pandemic may affect adversely the Group's ability to implement its planned development programmes for the coming year - whether due to logistical challenges, such as the curtailment of international flights; the unavailability of mining personnel, equipment or materials or governmental restrictions which may be imposed in any of the jurisdictions in which the Group it operates. The Company will continue to actively monitor the response to the pandemic and will manage the consequences as they arise.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations. The Directors have prepared the financial statements for each financial period which present fairly the state of affairs of the Group and the profit or loss of the Group for that period.

The Directors have chosen to use the International Financial Reporting Standards ("IFRS") as adopted
by the European Union in preparing the Group's financial statements.

International Accounting Standard 1 requires that financial statements present fairly for each financial period the company's financial position, financial performance and cash flows. This requires the faithful presentation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements". In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards.

A fair presentation also requires the Directors to:

- select consistently and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRS as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- state that the Group has complied with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are also required to prepare financial statements in accordance with the rules of the
London Stock Exchange for companies trading securities on the Stock Exchange.

The Directors are responsible for keeping proper accounting records which disclose with reasonable
accuracy at any time the financial position of the Group, for safeguarding the assets, for taking
reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of financial statements.

Financial information is published on the Group's website. The maintenance and integrity of this
website is the responsibility of the Directors; the work carried out by the auditors do not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may occur to the financial statements after they are presented initially on the web-site.
Legislation in the British Virgin Islands governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Responsibilities Pursuant to DTR4

In compliance with the Listing Rules of the London Stock Exchange, the Directors confirm to the best of their knowledge:

- The group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.
- The annual report includes a fair review of the development and performance of the business and the financial position of the group, together with a description of the principal risks and uncertainties that they face.

This Directors' Report was approved by the Board of Directors on 29 June 2020 and is signed on its behalf.

By Order of the Board

Jonathan Morley-Kirk
Chairman
29 June 2020

STRATEGIC REPORT

1. Business Model and Strategy

The Group is a project developer and targets mining projects that may be brought into production within 24 to 30 months within Asia. Many opportunities are presented in the form of old underground gold mines which can be re-opened, a process with which the Company's Management team has substantial experience.

Such projects offer significant advantages over "normal greenfield" exploration projects in that they:

- cut out the major exploration costs;
- the economics in terms of gold price at closure are known;
- past production in the form of tonnes and grade are known;
- to a large extent the existing development needs refurbishment which is far cheaper than new development; and
- the overall cost to reopen is far cheaper per ounce than new ounces at the same grade.

2. South Korea Gold Projects

South Korea is a modern, industrialised economy, a representative democracy and has substantial infrastructure advantages, in many respects, superior to western jurisdictions. South Korea is an investment grade country with Moodys and Standard & Poors ratings of AA and Aa2 respectively.

2.1 Partnership with Southern Gold Limited

The past year has seen the farm-in arrangement with Southern Gold completed and South Korean joint ventures established for each of the two projects. BMV operates both the Gubong Project Company and the Geochang[1] Project Company.

To the end of December 2019, the Company had incurred USD 1,405,778 of farm-in expenditure. These costs were expensed through the Company's consolidated income statement, in line with accounting policies, and were a requirement for the formation of the Gubong and Kochang joint ventures with Southern Gold Ltd.

2.2 The Gubong Project

The project is just over one hour's drive west of Daejeon, the second largest city in South Korea. Access to the site is by sealed roads to within 100 metres of the old mine. Other infrastructure such as power and telecommunications are also placed conveniently.

History

Gubong was South Korea's second largest gold producer historically and the largest during 1930-1943, during the Japanese occupation. It still retains substantial remnant ore between mined blocks and excellent exploration potential. Mine data indicates good potential for mine re-commissioning and the possibility of relatively early cash flow.

There is a dearth of information considering the age of the mine and there is anecdotal evidence that the information relating to gold production is understated as there was little government control over the Japanese mining companies.

The Korean Resources Corporation (KORES) estimate of remaining resources at Gubong is 2.34M tonnes at 7.34g/t

There are no declared JORC resource estimates currently at Gubong.

The immediate Gubong project area hosts five historical underground mines with the largest being the Gubong mine which exploited high grade quartz veins hosted in gneissic granite and mined to a vertical depth of approximately 500 metres.

Historic underground sampling results of the deeper levels of Vein 6, the main vein exploited at Gubong, gives an arithmetic uncut average of 30.6 g/t gold from 146 values. Exploratory core drilling below the now abandoned mine workings from one of five holes returned 27.9 g/t gold and 25 g/t silver over 1.6 metres downhole from 845.2 metres. This demonstration of the persistence with depth of the most developed mineralised structure supports the prospectivity of the property for auriferous shoots with considerable depth continuity.

Interestingly, Vein 6 was found as a blind vein in the hanging wall during mine development work on the other veins. This suggests substantial gold resources may be found in parallel vein systems that do not outcrop in the area.

Work at Gubong

There has been no physical work undertaken at Gubong in the period to 31 December 2019. An application for a "Permit to Develop" the mine was submitted in late December 2018. The process was supposed to have taken 2 months however, the Provincial Government took a lot longer to review the submission and in May decided to defer the decision to a higher authority. The committee appointed to review the submission sat for a final decision on 30 August 2019 and issued their approval of the "Permit to Develop" on 10 September 2019.

2.3 The Kochang Project

General Information on Kochang

The Kochang Mine began in 1928 but production records started in 1938 with the Nippon Mining Co which mined until 1942. Production restarted in 1961 and was fairly constant until 1975.

The workings extend over 1.2-1.5 km (2.5 km including the silver shaft area) from south west to north east and extend down dip to about 120 m below surface. The workings exploit 5-7 veins striking 050^{o} with a dip of 50-70NW. There seem to have been 4 shafts (North shaft, south shaft, main shaft and silver shaft). The gold and silver mines have been worked as separate mines in the past but recent work suggests that they are part of the same deposit and that resources may extend between them.

Following the last year of recorded production in 1975, exploratory level development was carried out in 1981 and 1990, presumably by KORES. Korean underground plans dated 1990 show the results of the sampling of quartz veins along portions of the gold mine at Kochang. In aggregate, a total of 104 underground samples are depicted with gold results ranging from 0.4 g/t up to 102.6 g/t for sample widths ranging from 0.03 metres to 0.6 metres in thickness. The length weighted average value of all the underground samples is 17.05 g/t gold over 0.2 metres.

Of further interest is a particularly well mineralised 120 metre length of Vein 3 at the southern end of the prospecting drive on 245RL which gave a length weighted average value of 57.27 g/t gold over a 0.29 metre width: indicating the presence of higher grade ore shoots at Kochang. Bonanza grades were reportedly mined from upper levels of the north shaft vein.

In 1984, four inclined core holes were drilled at Kochang, but their coordinates are generally unknown. Each hole intersected narrow quartz veins. Two of the holes were sampled for assay over intersections of interest. One drill hole 84-2 was collared in a new deposit called the Sanpo Mine at 238 RL, azimuth of 225 and dip 70. Of the nine results reported, Hole 84-2 gave two intersections above 1 g/t gold in one hole. The intersections were 10.6 g/t gold and 12 g/t silver over 0.6 metres from 26.9 metres and 17.6 g/t gold

and 4 g/t silver over 2.5 metres from 63.0 metres respectively. At 97.6 metres a 2.4m vein gave trace gold and 1,763 g/t silver.

This drill hole opens up a "new" parallel mineralised structure of up to 2.5m wide to be explored and the possibility of other as yet unknown structures related to the same hydrothermal fluid source and regional structures.

Work at Kochang

The Company continued to examine and explore the underground workings and surrounding area, locating previously unknown adits to the east of the mine. The silver mine associated with the gold deposit was also located and found to be open.

Once the farm-in was completed and the report on feasibility was accepted by the partner, an application for a '"Permit to Develop" was submitted in February 2019. The "Permit to Develop" was granted on 17 December 2019.

3. Philippines Overview - Batangas Gold Project

The outlook for the Philippine mining industry has steadily improved during the period, but until there is a more fundamental change in policy, the Company believes that it is prudent to write off its investment. This has been agreed with the Group's Auditor as appropriate.

The Batangas Gold project remains under *care and maintenance* pending clarity of government policy. The Company does not expect any progress to this regard over the near-term.

The Company acquired the project from ASX Listed Red Mountain Mining Limited in November 2016 based on the highlights of a Pre-Feasibility Study (PFS) published by Red Mountain Mining Limited that declared a Maiden Ore Reserve of 128,000oz of gold (including silver credits) including 100,000oz of high-grade gold at 4.2g/t. The acquisition cost allocated to the project was USD 2,137,855.

Batangas Gold Project Mineral Resource JORC 2012

Deposit	Resource Classification	Tonnes	Au g/t	Au Oz	Ag g/t	Ag Oz
Kay Tanda West	Indicated	1,421,000	2.1	96,000	9.2	421,000
	Inferred	229,000	2.3	17,000	2.1	15,000
	Total	**1,650,000**	**2.1**	**113,000**	**11.3**	**436,000**
Kay Tanda Main	Indicated	1,161,000	1.9	70,000	1.4	50,000
	Inferred	2,775,000	2.0	180,000	1.2	109,000
	Total	**3,936,000**	**2.0**	**250,000**	**2.6**	**159,000**
Archangel MPSA	**Total**	**5,586,000**	**2.0**	**363,000**	**3.3**	**595,000**
South West Breccia	Indicated	214,000	6.4	44,000	1.8	12,600
	Inferred	7,000	2.3	1,000	1.9	400
	Total	**221,000**	**6.3**	**45,000**	**1.8**	**13,000**
Japanese Tunnel	Indicated	26,000	3.3	3,000	5.9	5,000
	Inferred	7,000	2.3	1,000	5.7	1,000

Deposit	Resource Classification	Tonnes	Au g/t	Au Oz	Ag g/t	Ag Oz
	Total	**33,000**	**3.0**	**4,000**	**5.7**	**6,000**
West Drift (> 2g/t)	Indicated	145,000	4.2	14,000	4.7	22,000
	Inferred	205,000	2.4	19,000	4.3	28,000
	Total	**350,000**	**3.0**	**33,000**	**4.4**	**50,000**
Lobo MPSA	**Total**	**604,000**	**4.2**	**82,000**	**3.6**	**69,000**
Batangas Gold Project	Indicated	2,968,000	2.4	227,000	5.4	511,000
	Inferred	3,222,000	2.1	218,000	1.5	154,000
	Total	**6,190,000**	**2.2**	**445,000**	**3.3**	**665,000**

Batangas Gold Project Ore Reserves JORC 2012

Deposit	Ore Reserve Category	Tonnes	Au g/t	Au Oz	Ag g/t	Ag Oz	Au Eq g/t	Au Eq Oz
Archangel MPSA	Probable	1,225,000	2.1	86,000	10.0	403,000	2.3	91,000
Lobo MPSA	Probable	186,000	6.2	37,000	2.2	13,000	6.2	37,000
Total Batangas Project	Probable	1,441,000	2.6	123,000	9.0	416,000	2.8	128,000

The Pre-Feasibility Study was announced by Red Mountain Mining Limited (refer: https://www.rscmme.com/report/Red_Mountain_Mining_Ltd_Batangas__15-6-2016).

4. Funding

The Company funded its activities during the period by issuing 150,827,679 new shares (including treasury shares of 15,874,190) and has also used loan facilities of USD 435,833 from shareholders.

The Company continued to benefit from Directors and the Management team continuing to agree to not take cash as detailed in their contracts.

This Strategic Report was approved by the Board of Directors on 29 June 2020 and is signed on its behalf.

By Order of the Board

Jonathan Morley-Kirk

Chairman
29 June 2020

FINANCIAL STATEMENTS

4.1 Independent Auditor's Report to the Members of the Company

Opinion

We have audited the financial statements of Bluebird Merchant Ventures Limited (the "parent company") and its subsidiaries (the "'group") for the period ended 31 December 2019 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated of statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2019 and of its loss for the period then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the disclosures made in Note 2 to the financial statements concerning the group's ability to continue as a going concern. This explains that the group's cash flow projections indicate that further funding will be required within the next twelve months. This condition along with the other matters set out in Note 2 indicates the existence of a material uncertainty which may cast significant doubt as to the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Given the conditions and uncertainties noted above we considered going concern to be a Key Audit Matter.
We performed the following procedures in respect of this key audit matter:

- We discussed the potential impact of COVID-19 with management, including their assessment of potential risks and uncertainties associated with areas such as the Group's operations and ability to secure funding that are relevant to the Group's business model and operations. We formed our own assessment of risks and uncertainties based on our understanding of the business.
- We critically assessed management's financial forecasts and the underlying key assumptions, including operating and capital expenditure. In doing so, we considered factors such as historical operating expenditure, commitments under the Joint Venture agreements, debt servicing obligations under the various lender agreements and
- reviewed the group's board minutes and market announcements for indications of additional cash requirements.

- We considered directors' judgement that they had a reasonable expectation of securing additional financing to meet future working capital requirements. In doing so, we made specific inquiries of the Board, considered the history of fundraising and reviewed supporting documentation.
- Our assessment also included making enquiries of management of the future financing plans and options and evaluating the adequacy of the disclosure made in the financial statements in respect of going concern.

Key audit matters

In addition to the matter described in the material uncertainty related to going concern section, key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	**How we addressed the matter in the audit**
<u>Risk that accounting for the loans, share warrants and Momentum agreement is inappropriate</u>	
As detailed in note 17 and 23 the group has entered into loan agreements and a share based payment arrangement with a related party (the Momentum agreement) for the participation in the Korean joint venture agreements. The Momentum agreement is complex, requiring assessment of the probabilities of the joint ventures achieving a number of milestones. The agreements also require management to establish appropriate accounting policies and exercise judgment and estimation in determining the accounting treatment and valuation of certain aspects of the agreements. Given the complex nature of the instruments and the judgement and estimation required by management we considered this area to be a significant risk and a key audit matter for our audit.	We reviewed the loan, warrants and Momentum agreements and evaluated the accounting treatment adopted by management, involving our technical accounting specialists as part of this assessment. We obtained management's calculations of the fair value of each element of the instruments at inception, extinguishment and year end as applicable. We considered the appropriateness of the valuations and consulted with our valuation specialists to confirm that the Black Scholes model remained appropriate for the valuation of the share warrants. We confirmed inputs to the calculations to supporting evidence such as the agreements, conversion notices and market data, including historic share prices. We also considered the reasonableness of share price volatility adopted by management and compared to the

Key Audit Matter	How we addressed the matter in the audit
	company's historical share price volatility. For the Momentum agreement we considered the management's methodology for the valuation of the share based payment, which required an assessment of the probability of the joint ventures achieving the milestones. In assessing the reasonableness of the probability adopted we considered the nature of the milestones and status of the joint venture projects. We evaluated the accounting policies and disclosures in the financial statements. Key Observation We found the Group's accounting treatment for the loans, share warrants and Momentum agreement, the associated judgments and fair value estimates applied in the accounting treatment and the disclosures in the financial statements to be appropriate.
<u>Risk that the carrying value of the Korean Joint Venture investments is not recoverable</u>	

Key Audit Matter	How we addressed the matter in the audit
The Group's investment in the Korean Joint Ventures represent its most significant asset and amounts to US$1.6m as at 31 December 2019 (note 12). The recoverability of the investment is underpinned by the Gubong and Kochang gold projects. Management were required to assess whether they consider there are any indications that the group's investment in the Korean Joint Ventures may be impaired as at 31 December 2019. Management determined that there have been no indicators of impairment during the year. As detailed in note 3, the assessment of indicators of impairment required significant judgements by management. The carrying value of the investment in the Korean Joint Ventures represented a significant risk for our audit given the significant judgements required in respect of the assessment of indicators of impairment.	We considered Management's assessment of indicators of impairment for the Gubong and Kochang investments by obtaining their confirmation that there is an intention to develop the assets once permitting is obtained and funding is raised. Our testing included review of the status of mining permits against supporting evidence, the competent persons reports and feasibility studies of each project and management's activities to develop the projects. We reviewed board minutes and RNS announcements to assess for any indicators of impairment in relation to the Gubong and Kochang assets. Key Observation We found the Group's assessment that there are no indicators of impairment and the disclosures in the financial statements to be appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

The materiality for the group financial statements as whole was set at US$50,000 (2018: US$50,000). This was determined with reference to a benchmark of 1% of total assets and 5% of losses before tax. We consider assets and the level of expenditure incurred in the year on the Joint Venture projects to be the two principal considerations for stakeholders of the group in assessing the financial performance of group.

The significant components of the group were audited to a lower materiality ranging from US$15,000 to US$40,000 (2018: US$15,000).

Performance materiality is the application of materiality at the individual account or balance level set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality was set at US$35,000 (2018: US$35,000) which represents 70% of the above materiality level. The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements, the level of transactions in the year and management's attitude toward proposed adjustments.
We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of US$2,500 (2018: US$2,500), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We evaluated any uncorrected misstatements against both quantitative measures of materiality discussed above and in light of other relevant qualitative considerations when forming our opinion.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the group and its environment, as well as assessing the risks of material misstatement in the financial statements at group level.

In approaching the audit, we considered how the group is organised and managed. We assessed there to be four significant components being Bluebird Merchant Ventures Limited, Egerton Gold Philippines Inc with operations in Philippines and Gubong Project Co Limited and Kochang Project Co Limited with operations in South Korea. The parent entity was subject to a full scope audit by the group auditor.

The South Korean significant components were subject to specific audit procedures performed by the BDO network firm in South Korea. Detailed group reporting instructions for the testing of the specific areas were sent to the component auditor and we reviewed their work and discussed their findings with the component audit partner.

A full scope audit for group reporting purposes was performed by the BDO network firm in the Philippines on each component in the Philippines for the first twelve months of the period. There were no material transactions in the remaining six month period and the group audit team carried out specific procedures relating to this period. Detailed group reporting instructions for the testing of the significant areas were sent to the component auditor and we reviewed their work and discussed their findings with the component audit partner.

The group audit team also performed audit procedures over the significant risk areas and the consolidation. The remaining non-significant subsidiaries of the group were subject to analytical review procedures by the group audit team.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability 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 group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent company's members, as a body, in accordance with our engagement letter dated 30 August 2018. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP
Chartered Accountants
London, United Kingdom
29 June 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

4.2 Consolidated Income Statement

For the period ended 31 December 2019

	Note	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Administrative expenses		(1,294,514)	(786,631)
Farm-in costs		(540,423)	(865,355)

Operating loss	6	(1,834,937)	(1,651,986)
Exchange gain/(loss)		-	(11,702)
Finance expense	10	(48,312)	(166,939)
Share of loss of joint ventures	12	(311,153)	-
Impairment of investment in associate	13	(2,141,600)	-
Share of (loss)/profit of associate	12	(4,566)	7,668
Impairment of assets	13	(82,319)	-
Derecognition of liabilities	13	45,963	-
Gain on sale of associate	13	-	91,109
Loss before taxation		(4,376,924)	(1,731,850)
Income tax expense	11	(4,085)	(4,134)
Loss for the period		**(4,381,009)**	**(1,735,984)**
Earnings per share:			
Basic and diluted loss per share (USD per share)	21	(0.0164)	(0.0075)

The accompanying accounting policies and notes form an integral part of these financial statements.

4.3 Consolidated Statement of Comprehensive Income

For the period ended 31 December 2019

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Loss for the period	**(4,381,009)**	**(1,735,984)**
Exchange difference on translating foreign operations*	(10,282)	64,239
Share of other comprehensive income/(loss) of associate*	100,754	(119,132)
Total other comprehensive income/(loss) for the period	90,472	(54,893)
Total comprehensive loss for the period	**(4,290,537)**	**(1,790,877)**

* Items that may be reclassified to profit or loss

The accompanying accounting policies and notes form an integral part of these financial statements.

4.4 Consolidated Statement of Financial Position

For the period ended 31 December 2019

	Note	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Non-current assets			
Investment in associate	12	-	2,045,412
Investment in joint ventures	12	1,600,963	-
		1,600,963	2,045,412
Current assets			
Trade and other receivables	14	13,639	90,685
Cash and cash equivalents	15	6,039	41,082
		19,678	131,767
Current liabilities			
Trade and other payables	16	(932,984)	(763,102)
Other financial liabilities	17	(134,518)	(560,220)
Derivative financial liabilities	17	(121,139)	(438,677)
		(1,188,641)	(1,761,999)
Non-current liabilities			
Trade and other payables	16	-	(24,104)
		-	(24,104)
Net Assets		**432,000**	**391,076**
Equity			
Issued share capital	21	7,552,662	3,606,596
Unissued share capital	21	230,223	1,174,909
Reserves		1,349,016	(71,537)
Retained earnings		(8,699,901)	(4,318,892)
Total Equity		**432,000**	**391,076**

The accompanying accounting policies and notes form an integral part of these financial statements.

These financial statements were approved and signed on behalf of the Board of Directors.

Jonathan Morley-Kirk
Chairman
29 June 2020

Colin Patterson
Chief Executive Officer
29 June 2020

4.5 Consolidated Statement of Changes in Equity

For the period ended 31 December 2019	Share Capital (USD)	Unissued Share Capital (USD)	Retained Earnings (USD)	Reserves (USD)	Total Equity (USD)
At 30-Jun-17 (Re-stated)	**3,289,581**	**207,913**	**(2,582,908)**	**(16,644)**	**897,942**
Loss for the period	-	-	(1,735,984)	-	(1,735,984)
Other comprehensive loss for the period	-	-		(54,893)	(54,893)
Total comprehensive loss	-	-	(1,735,984)	(54,893)	(1,790,877)
Shares issued/to be issued (net of expenses)	317,015	966,996	-	-	1,284,011
Total transactions with owners	317,015	966,996	(1,735,984)	(54,893)	(506,866)
At 30-Jun-18	**3,606,596**	**1,174,909**	**(4,318,892)**	**(71,537)**	**391,076**
Loss for the year	-	-	(4,381,009)	-	(4,389,009)
Other comprehensive income for the period	-	-	-	90,473	90,473
Total comprehensive loss	-	-	(4,381,009)	90,473	(4,290,536)
Shares issued/to be issued (net of expenses)	3,946,066	(944,686)	-	-	3,001,380
Share based payments	-	-	-	1,330,080	1,330,080

(note 12)					
Total transactions with owners	3,946,066	(944,686)	(4,381,009)	1,420,553	40,924
At 31-Dec-19	**7,552,662**	**230,233**	**(8,699,901)**	**1,349,016**	**432,000**

The accompanying accounting policies and notes form an integral part of these financial statements.

4.6 Consolidated Cash Flow Statement

For the period ended 31 December 2019

	Note	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Cash flows from operating activities			
Cash paid to suppliers and employees		(568,259)	(1,077,775)
Net cash used in operating activities		**(568,259)**	**(1,077,775)**
Cash flows from investing activities			
Loans to joint ventures	12	(582,037)	-
Cash received from sale of WTMR		-	25,471
Net cash used in investing activities		**(582,037)**	**25,471**
Cash flows from financing activities			
Cash received for shares	21	679,420	360,997
Cash received from related parties	17	404,860	350,000
Cash received from loan notes	17	30,973	287,403
Net cash from financing activities		**1,115,253**	**998,400**
Net decrease in cash		**(35,043)**	**(53,904)**
Cash and cash equivalents at the start of the period		41,082	94,986
Cash and cash equivalents at the end of the period		6,039	41,082

There has been significant non-cash transactions relating to the settlement of operating and financial liabilities in the period (notes 17 and 21).

The accompanying accounting policies and notes form an integral part of these financial statements.

4.7 Notes to the Financial Statements
For the period ended 31 December 2019

1. Basis of Preparation and Adoption of International Financial Reporting Standards (IFRS)

Bluebird Merchant Ventures Ltd (the Company) is a limited company incorporated in the British Virgin Islands. The address of its registered office is at Harney Westwood & Riegels, Craigmuir Chambers, PO Box 71, Road Town, Tortola VG1110, British Virgin Islands.

The Group financial statements consolidate those of the Company and of its investments; the Group financial statements have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee interpretations as adopted by the European Union.

The consolidated financial statements are prepared on the historical cost basis or the fair value basis where the fair valuing of relevant assets and liabilities has been applied.

Certain amounts included in the consolidated financial statements involve the use of judgement and/or estimation. Judgements, estimations and sources of estimation uncertainty are discussed in note 3.

New and amended standards which are effective for these financial statements

New standards and interpretations currently in issue, based on EU mandatory effective dates, for accounting periods commencing on 1 July 2018 are:

IFRS9: Financial Instruments (effective 1 January 2018)
IFRS15: Revenue from Contracts with Customers (effective 1 January 2018)

IFRS 9 provides a comprehensive new standard for accounting for all aspects of financial instruments.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value and replaces the multiple category and measurement models in IAS 39. The approach in IFRS 9 focuses on how an entity manages its financial instruments in the context of its business model, as well as the contractual cash flow characteristics of the financial assets.

The new standard replaces incurred loss model for impairment under IAS 39 with a forward looking expected credit loss model.

The classification criteria for financial liabilities did not change under IFRS 9.

On 1 July 2018, the Group adopted IFRS 9. The new standard has been applied retrospectively but did not result in a restatement of prior period financial assets and liabilities. An impairment review using IFRS 9's expected credit loss model did not result in an impairment provision.

IFRS 15 became effective for all periods beginning on or after 1 January 2018. IFRS 15 does not impact the Group as it is not currently revenue generating.

Standards in issue but not yet effective

The following standards, amendments and interpretations which have been recently issued or revised and are mandatory for the Group's accounting periods beginning on or after 1 January 2019 or later periods have not been adopted early:

Standard	Description	Effective date
IFRS 16	Leases	01 Jan 2019
Annual Improvements	2015 - 2017 Cycle	01 Jan 2019

IFRIC 23	Uncertainty over Income Tax treatments	01 Jan 2019
IFRS 3	Amendments to IFRS 3 Business Combinations	01 Jan 2020*
IAS 1 and IAS8	Definition of Material	01 Jan 2020*

*Not yet endorsed by the EU

IFRS 16 eliminates the classification of leases as either operating leases or financing leases and, instead, introduces a single lessee accounting model. A lessee will be required to recognise assets and liabilities for all leases with a term of more than 12 months (unless the underlying asset is of low value) and will be required to present depreciation of leased assets separately from interest on lease liabilities in the consolidated statement of income. A lessor will continue to classify its leases as operating leases or financing leases, and to account for those two types of leases separately.

IFRS 16 is effective for fiscal periods beginning on or after 1 January 2019. The Group have undertaken a review of contracts for potential lease arrangements. Based on the analysis the Group does not have any significant leases requiring recognition and therefore the impact of IFRS 16 is expected to be limited.

2. Going Concern

In common with many junior mining companies, the Group raises equity funds for its activities in share placements. When necessary it also raises loan funding from related and third parties.

At the period end the Group had current liabilities of USD 1,188,641, inclusive of USD 625,804 to be paid in equity, and cash resources of USD 6,039. Since the period end the Group has raised GBP 200,000 by a short term loan and GBP 141,847 equity from the exercise of warrants. Based on financial projections prepared by the Directors, the Group's current cash resources are insufficient to enable the Group to meet its recurring outgoings and projected development expenditure for the entirety of the next twelve months. However, the Directors have a reasonable expectation that the Group will continue to be able to meet its commitments for the foreseeable future by raising funds when required from either the debt or equity capital markets.
COVID-19, and the uncertainty over its duration, is also creating volatility in capital markets and will make raising additional funds from any source significantly more challenging.

The Directors continue to adopt the going concern basis of accounting in preparing the financial statements, but note that this indicates the existence of a material uncertainty which may cast significant doubt over the ability of the Group to continue as a going concern. Should the group not be able to raise necessary funds to cover the recurring and projected expenditure, including development of the Group's key assets it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

3. Judgements in Applying Accounting Policies and Sources of Estimation Uncertainty

Certain amounts included in the financial statements involve the use of judgement and/or estimation. These are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience. However, judgements and estimations regarding the future are a key source of uncertainty and actual results may differ from the amounts included in the financial statements. Information about judgements and estimation is contained in the accounting policies and/or other notes to the financial statements. The key areas are summarised below.

3.1 Mineral Resources and Ore Reserves

Quantification of Mineral Resources requires a judgement on the reasonable prospects for eventual economic extraction. Quantification of Ore Reserves requires a judgement on whether Mineral Resources are economically mineable. These judgements are based on assessment of mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors involved. These factors are a source of uncertainty and changes could result in an increase or decrease in Mineral Resources and Ore Reserves.

Assessment of impairment indicators

Consideration of impairment indicators for mining projects requires significant judgements and estimates when assessing the available technical, financial and licencing information. At each period end, the Directors carry out this process for each project.

Impairment review of Batangas gold project

The Board, in their assessment of impairment, reviewed the achievability of estimates used in the 2016 prefeasibility study and the ability to obtain the necessary permits and licences from the Philippines government to proceed with development.

The uncertainty relating to the issuance of the permit is considered to be an indicator of impairment and therefore required an impairment review to be performed. The Board considered it appropriate to continue to follow IFRS and to write Batangas down to zero in the financial statements. This would save time and shareholders money on trying to value Batangas to avoid a specific audit qualification.

3.2 Acquisition

The acquisition of MRL Gold Inc and its interest in its associate, Egerton Gold Philippines Inc, required an initial judgement to be made as to whether to account for this as an asset acquisition or a business combination. If an acquisition is determined to be a business combination then it falls within the scope of IFRS 3, if it does not then it is treated as an asset or group of assets. The judgement involved whether the acquired entity meets the definition of a business. Key components of a business consist of inputs, processes and outputs. Inputs and processes are the essential elements that have to be present in order to be classified as a business. A business does not have to have outputs to qualify as a business.

The acquisition has been accounted for as an asset acquisition as MRL Gold Inc is judged not to have the required inputs and processes to qualify as a business and that a market participant would not be capable of conducting and managing the entity as a business.

3.3 Accounting for loan arrangements and share based payments

The Group has entered into a number of loan arrangements with derivative financial instruments attached, including warrants and bonus shares and loan have also been modified during their term.

In addition the Company has to make share payments to Momentum, a related party, for the right to participate in the Korean joint ventures established in the period. As a share based payment the Group is required to estimate the fair value at the date of establishing the joint venture which includes assessment of the probability of making the payments. Further information is provided in note 23.

Judgement is required when interpreting the agreement, to determine the nature of the derivatives and the model to be used when valuing the instruments. Management have determined that the Black-Scholes model is an appropriate model for the valuation of the share based payments.

3.4 Valuation of share options and warrants

Share options issued by the company are fair valued when granted and warrants, which are classified as financial liabilities are revalued at each reporting date. This requires the Group to determine an appropriate valuation methodology, which they have determined

to be the Black-Scholes option pricing model. The use of this model requires the determination of a number of key assumptions which can have a significant effect on the valuation (note 17).

3.5 Capitalisation of costs in the joint venture gold projects

Costs are capitalised to the joint venture gold projects which are directly attributable to the development of the mining projects. Estimates and judgements are made when determining whether costs are directly attributable. Employee costs are capitalised based on their job role and time spent developing the project.

Management also consider that the share based payments made to Momentum in relation to milestones achieved subsequent to the establishment of the joint ventures are a cost of investment in the joint ventures, recognised initially at fair value at the date of establishment of the joint venture. The value is not subsequently re-measured as recognised as equity instruments.

4. Accounting Policies

4.1 Consolidation and Goodwill

The Group financial statements consolidate the results of the Company and its subsidiary undertakings using the acquisition accounting method. On acquisition of a subsidiary, all of the subsidiary's identifiable assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition on that date. The results of subsidiary undertakings acquired are included from the date of acquisition. In the event of the sale of a subsidiary, the subsidiary results are consolidated up to the date of completion of the sale.

Subsidiaries are all those entities over which the parent has control. Control exists if the parent is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

The costs of acquisition are recognised in the income statement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any Non-controlling interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement as a gain.

Transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated, unless the unrealised loss provides evidence of an impairment of the asset transferred.

There is no goodwill in the Group's consolidated statement of financial position.

4.2 Joint Arrangements

Certain Group activities are conducted through joint arrangements in which two or more parties have joint control. A joint arrangement is classified as either a joint operation or a joint venture, depending on the rights and obligations of the parties to the arrangement.

Joint operations arise when the Group has a direct ownership interest in jointly controlled assets and obligations for liabilities. The Group does not currently hold this type of arrangement.

Joint ventures arise when the Group has rights to the net assets of the arrangement. For these arrangements, the Group uses equity accounting and recognises initial and subsequent investments at cost, adjusting for the Group's share of the joint venture's income or loss, less dividends received thereafter. When the Group's share of losses in a

joint venture equals or exceeds its interest in a joint venture it does not recognise further losses.

Joint ventures are tested for impairment whenever objective evidence indicates that the carrying amount of the investment may not be recoverable. The impairment amount is measured as the difference between the carrying amount of the investment and the higher of its fair value less costs of disposal and its value in use. Impairment losses are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised.

4.3 Investment in Associates

Associate companies are companies in which the group has significant influence generally though holding, directly or indirectly, 20% or more of the voting power of the Group. Investments in associates are accounted for in the financial statements by applying the equity method of accounting whereby the investment is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

4.4 Segmental reporting

An operating segment is a component of the Group engaged in exploration or production activity that is regularly reviewed by the Chief Operating Decision Maker (CODM) for the purposes of allocating resources and assessing financial performance. The CODM is considered to be the Board of Directors. The Group's operating segments are determined as the British Virgin Islands, South Korea and the Philippines (note 5).

4.5 Foreign currency translation

Functional and presentational currency

The functional currencies of the entities within the Group are the US dollar (for the Company and the Singaporean companies), Philippine peso (for the Philippine companies) and the Korean won (for the Korean companies) as the currencies which most affects each company's revenue, costs and financing. The Group's presentation currency is the US dollar.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

On consolidation, the assets and liabilities of the Group's overseas operations that do not have a US Dollar functional currency, are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rate for the period. Exchange differences arising on the net investment in subsidiaries are recognised in other comprehensive income.

4.6 Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

De-recognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken where there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets

Financial assets are subsequently recognised at amortised cost under IFRS 9 if it meets both the hold to collect and contractual cash flow characteristics tests. A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If neither of the above classifications are met the asset is classified as fair value through the profit and loss or unless management elect to do so provided the classification eliminates or significantly reduces a measurement or recognition inconsistency.

A financial asset that is not carried at fair value through profit or loss is assessed at each reporting date to determine a loss allowance for expected credit losses. If the credit risk on a financial instrument has increased significantly since initial recognition, the loss allowance is equal to the lifetime expected credit losses. If the credit risk has not increased significantly, the loss allowance is equal to the twelve month expected credit losses.

The expected credit losses are measured in a way that reflects the unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes; the time value of money and reasonable and supportable information that is available about past events, current conditions and forecasts of future economic conditions.

4.7 Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short term highly liquid investments and are measured at cost which is deemed to be fair value as they have short-term maturities.

4.8 Financial liabilities

Financial liabilities include loans and trade and other payables. In the statement of financial position these items are included within Non-current liabilities and Current liabilities. Financial liabilities are recognised when the Group becomes a party to the contractual agreements giving rise to the liability. Interest related charges are recognised as an expense in Finance costs in the income statement unless they meet the criteria of being attributable to the funding of construction of a qualifying asset, in which case the finance costs are capitalised.

Borrowings, including the loan notes, are initially recognised at fair value, net of transaction costs incurred. They are subsequently stated at amortised cost with any difference between the proceeds (net of transaction costs) and the redemption value recognised in profit or loss over the period of the borrowings using the effective interest rate method.

When a loan is converted into equity the gain or loss arising, being the difference between the carrying amount of the liability extinguished and the fair value of the equity issued, is recognised in the Income Statement.

See separate accounting policies below in respect of accounting for warrants.

Trade and other payables and loans are recognised initially at their fair value and subsequently measured at amortised costs using the effective interest rate, less settlement payments.

4.9 Share capital and unissued share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity and have no par value. Costs directly associated with the issue of shares are charged to share capital.

Where the Company has a contractual right to issue a fixed number of shares to settle liabilities it recognises unissued share capital pending the issue of shares.

4.10 Income taxes

Current income tax liabilities comprise those obligations to fiscal authorities in the countries in which the Group carries out operations and where it generates its profits. They are calculated according to the tax rates and tax laws applicable to the financial period and the country to which they relate. All changes to current tax assets and liabilities are recognised as a component of the tax charge in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amount of assets and liabilities in the consolidated financial statements with their respective tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects taxable or accounting profit.

Deferred tax liabilities are provided for in full; deferred tax assets are recognised when there is sufficient probability of utilisation. Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

There are no deferred tax assets or liabilities in the Group's statement of financial position.

4.11 Provisions, contingent liabilities and contingent assets

Other provisions are recognised when the present obligations arising from legal or constructive commitment, resulting from past events, will probably lead to an outflow of economic resources from the Group which can be estimated reliably. Provisions are measured at the present value of the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date. All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

4.12 Share based payments

The Group may operate equity settled share based compensation plans, which may be settled in cash under certain circumstances. All employee services received in exchange for the grant of any share based compensation are measured at their fair values. These are indirectly determined by reference to the share based award. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions. The Black-Scholes model is used to measure the fair value.

All share based compensation is ultimately recognised as an expense in profit and loss with a corresponding credit to retained earnings, net of deferred tax where applicable. Where share based compensation is to be cash settled, such as certain share based bonus awards, the corresponding credit is made to accruals or cash. The Company may have certain share option schemes that may be settled in cash at the absolute discretion of the Board.

If any equity settled share based awards are ultimately settled in cash, then the amount of payment equal to the fair value of the equity instruments that would otherwise have been issued is accounted for as a repurchase of an equity interest and is deducted from equity. Any excess over this amount is recognised as an expense.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs

from previous estimates. No adjustment to the expense recognised in prior periods is made if fewer share options are ultimately exercised than originally granted.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, up to the nominal value of the shares issued, are allocated to share capital with any excess being recorded in share premium.

4.13 Exploration and evaluation costs and farm-in arrangements

Exploration and evaluation costs incurred prior to the achievement of feasibility status are expensed as incurred. These include prefeasibility farm-in costs.

Acquired exploration and evaluation costs and mineral rights are capitalised and are reviewed for impairment cost less any impairment provision.

4.14 Impairment of exploration and evaluation assets

Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount.

Impairment reviews for exploration and evaluation assets are carried out on a project by project basis, with each project representing a potential single cash generating unit.

An impairment review is undertaken when indicators of impairment arise such as:

- unexpected geological occurrences that render the resource uneconomic;
- title to the asset is compromised;
- variations in mineral prices that render the project uneconomic;
- substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned; and
- the period for which the Group has the right to explore has expired and is not expected to be renewed.

4.15 Mine development costs

Once the decision has been taken to develop a mine the costs that are considered to be directly attributable to the development are capitalised.

4.16 Warrants

Warrants instruments are classified as derivative financial liability as the functional currency of the Company is USD and the exercise price is GBP. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income.

4.17 Put option

The Company previously issued a put option in relation to another entity's equity to be settled by its own equity. It was classified as a derivative financial liability at fair value through profit and loss.

The put option was settled in the year as the shares were issued to the holder at the June 2019 Prospectus.

4.18 Contingent consideration

Contingent consideration payable in respect of the acquisition of or participation in the joint venture investments is recognised at its fair value. The value is not subsequently re-measured as recognised as equity instruments.

4.19 Fair value measurement hierarchy

The Group classifies its financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value

measurement.

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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 2);
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within the financial liability is determined on the basis of the lowest level input that is significant to the fair value measurement.

5. Segmental Reporting

5.1 Income Statement

For the 18 month period ended 31 December 2019

	BVI (USD)	Philippines (USD)	South Korea (USD)	Total (USD)
Administrative costs	(1,239,870)	(54,644)	-	**(1,294,514)**
Farm-in costs	-	-	(540,423)	**(540,423)**
Share of loss from joint ventures	-	-	(311,153)	**(311,153)**
Finance expense	(48,312)	-	-	**(48,312)**
Impairment of investment in associate	-	(2,141,600)	-	**(2,141,600)**
Share of loss from associate	-	(4,566)	-	**(4,566)**
Impairment of assets and liabilities	-	(36,356)	-	**(36,356)**
Income tax expense	-	(4,085)	-	**(4,085)**
Loss for the period	**(1,288,182)**	**(2,241,251)**	**(851,576)**	**(4,381,009)**
Other comprehensive income	-	90,472	-	**90,472**
Total comprehensive loss for the period	**(1,288,182)**	**(2,150,779)**	**(851,576)**	**(4,290,537)**

5.2 Statement of Financial Position

For the 18 month period ended 31 December 2019

	BVI (USD)	Philippines (USD)	South Korea (USD)	Total (USD)

Investment in joint ventures	-	-	1,600,963	**1,600,963**
Trade and other receivables	13,639	-	-	**13,639**
Cash and cash equivalents	3,602	2,437	-	**6,039**
Total Assets	**17,241**	**2,437**	**1,600,963**	**1,620,641**
Trade and other payables	(834,679)	(98,305)	-	**(932,984)**
Other financial liabilities	(134,518)	-	-	**(134,518)**
Derivative financial liabilities	(121,139)	-	-	**(121,139)**
Net (liabilities)/assets	**(1,073,095)**	**(95,868)**	**1,600,963**	**432,000**

5.3 Income Statement

For the year ended 30 June 2018

	BVI (USD)	**Philippines (USD)**	**South Korea (USD)**	**Total (USD)**
Revenue	-	-	-	**-**
Administrative costs	(749,280)	(37,351)	-	**(786,631)**
Farm-in costs	-	-	(865,355)	**(865,355)**
Share of profit from associate	-	7,668	-	**7,668**
Finance expense	(166,939)	-	-	**(166,939)**
Other (expenses)/income	(11,702)	91,109	-	**79,407**
Income tax expense	-	(4,134)	-	**(4,134)**
(Loss)/profit for the year	**(927,921)**	**57,292**	**(865,355)**	**(1,735,984)**
Other comprehensive loss	-	(54,893)	-	**(54,893)**
Total comprehensive (loss)/income for the year	**(927,921)**	**2,399**	**(865,355)**	**(1,790,877)**

5.4 Statement of Financial Position

For the year ended 30 June 2018

	BVI (USD)	**Philippines (USD)**	**South Korea (USD)**	**Total (USD)**

Non-current assets	-	2,045,412	-	**2,045,412**
Trade and other receivables	90,685	-	-	**90,685**
Cash and cash equivalents	36,849	4,233	-	**41,082**
Total Assets	**127,534**	**2,049,645**	**-**	**2,177,179**
Current liabilities	(511,526)	(145,806)	(105,770)	**(763,102)**
Other financial liabilities	(560,220)	-	-	**(560,220)**
Fair value liabilities	(438,677)	-	-	**(438,677)**
Non-current Liabilities	-	(24,104)	-	**(24,104)**
Net (liabilities)/assets	**(1,382,889)**	**1,879,735**	**(105,770)**	**391,076**

6. Loss for the Period Before Tax

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Loss for the period has been arrived at after charging the following under administrative expenses:		
Auditors remuneration	90,703	49,457
Directors remuneration	428,526	474,430
Staff costs	179,676	423,282
Prospectus costs	110,934	-
Share based payments	44,461	-

7. Impairment Review - Investment in Associate

The Group holds a 40% interest in its associate, Egerton Gold Philippines Inc, which holds the Batangas Gold Project. In accordance with IAS 36 Impairment of Assets, at each reporting date the Company assesses whether there are any indicators of impairment of non-current assets. When circumstances or events indicate that non-current assets may be impaired, these assets are reviewed in detail to determine whether their carrying value is higher than their recoverable value, and where this is the result, an impairment is recognised. Recoverable value is the higher of value in use (**VIU**) and fair value less costs to sell. VIU is estimated by calculating the present value of the future cash flows expected to be derived from the asset cash generating unit (**CGU**). Fair value less costs to sell is based on the most reliable information available, including market statistics and recent transactions. The Batangas Gold Project has been identified as CGU.

When calculating the VIU certain assumptions and estimates were made. Changes in these assumptions can have a significant effect on the recoverable amount and therefore the value of the impairment recognised. Should there be a change in the assumptions which

indicated the impairment assessment; this could lead to a revision of the recorded impairment losses in future periods.

In the last three years mine permitting for mining projects in the Philippines has been problematical due to a moratorium on the approval of applications of exploration permits. In July 2018 the Department of Environment and Natural Resources lifted this moratorium and the regulatory environment for mining in the Philippines is now improving - as evidenced by permits starting to be issued in 2019. However, the Directors believe that it remains appropriate to wait before taking steps to progress permitting. In the long term, the Directors believe the project remains financially sound.. However, they recognise that the mine permitting situation in the Philippines has increased the level of uncertainty over the progression of the project and that if permitting for development of the mine is not achieved the investment in associate may become impaired. The uncertainty relating to the issuance of the permit is considered to be an indicator of impairment.

The Directors' financial assessment of the underlying project was determined to be USD 5,000,000 based on 40,000 ounces of gold noted within the mining plan, as noted in Red Mountain Mining Limited's financial model, at a conservative profitability of USD 125 per ounce, which is based on the substantive experience of the Group's mining executives, which represents less than a tenth of the JORC reserve and resource estimates (as detailed in the Strategic Report section).

The political environment in the Philippines has improved in the period ended 31 December 2019 with the Philippines government advising in August 2018 that the moratorium on mines exploration has been lifted. This has been evidenced by the 2019 Mining Philippines Conference and Exhibition reporting in September 2019 that the Philippines government had lifted the suspension order against three mining firms and that the suspension on two other mining have also been recommended by the Mines and Geosciences Bureau Regional Offices for lifting. In addition, the Group has received further early stage interest in acquisition of the Batangas project. However, for the period ended 31 December 2019, given the group does not plan to develop the project in the foreseeable future and taking into account the increased uncertainty relating to the lack of permitting, for the assessment of the carrying value of investment in associate, the Board considered it appropriate to continue to follow IFRS and to write the investment in Batangas down to zero in the financial statements. This would save time and shareholders money on trying to value the investment in Batangas to avoid a specific audit qualification and has been agreed as appropriate by the Group's Auditors.

8. Remuneration of Key Management Personnel

In accordance with IAS 24 - Related Party transactions, key management personnel, including all Executive and Non-Executive Directors, are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

	18 months to 31-Dec-19			12 months to 30-Jun-18		
	Payable in Cash (USD)	**Payable in Equity (USD)**	**Total (USD)**	**Payable in Cash (USD)**	**Payable in Equity (USD)**	**Total (USD)**
Directors remuneration	93,766	334,760	428,526	91,422	383,008	474,430
Key management personnel	11,521	139,219	150,740	137,951	130,047	267,998
Other staff costs	19,936	-	19,936	107,072	48,212	155,284
Total remuneration	**125,223**	**473,979**	**599,202**	**336,445**	**561,267**	**897,712**

The remuneration excludes recharges to the Joint Venture companies. In addition to the salary sacrifices noted in the June 2019 Prospectus, Directors and key management personnel have agreed to take all fees between May 2019 and December 2019 as equity post period end. The equity will be issued at a future date to be agreed.

9. Average Number of Employees

The average number of Employees during the period was made up as follows:

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Directors	5	5
Management and Administration	2	3
Mining, Processing and Exploration staff	5	4
	12	**12**

10. Finance Expense

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Loan interest	48,747	36,486
Amortisation of loan costs	122,771	22,497
Fair value movement	(123,206)	107,956
	48,312	**166,939**

11. Taxation

The Group contains entities with tax losses and deductible temporary differences for which no deferred tax asset is recognised. A deferred tax asset has not been recognised within some of the Group entities where the entities in which those losses and allowances have been generated either do not have forecast taxable in the near future, or the losses have restrictions whereby their utilisation is considered to be unlikely.

The Company is taxed at the standard rate of income tax for British Virgin Island companies which is 0%. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

MRL Gold Inc had an income tax liability of USD 4,085 at 31 December 2019, which was derived from the derecognition of liabilities.

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Current tax charge	4,085	4,134
Total tax charge	4,085	4,134

The tax charge for the period can be reconciled to the loss per the income statement as follows:

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Loss before taxation	4,376,924	1,731,850
BVI Corporation tax at 0%	-	-
Different tax rates applied in overseas jurisdictions	4,085	4,134
Total tax charge	**4,085**	**4,134**

12. Investments

12.1 Investments in Associates - Egerton Gold Philippines, Inc

Summarised financial information in respect of the Group's associate interest in Egerton Gold Philippines, Inc is set out below. The summarised information represents amounts shown in Egerton Gold Philippines, Inc's financial statements, as adjusted for differences in accounting policies. Amounts have been translated in accordance with the Group's accounting policy on foreign currency translation.

Investments - EGPI	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Opening balance	2,045,412	2,156,877
Share of (loss)/profit	(4,566)	7,668
Impairment	(2,141,600)	-
Share of other comprehensive profit/(loss)	100,754	(119,133)
Closing balance	**-**	**2,045,412**

Losses for the period ended 31 December 2019 were USD 11,415. USD 4,566 has been included in the Group's results in relation to the Group's 40% ownership of the company. The Batangas asset has been fully impaired in the period (notes 7 and 13).

A summary of the Balance Sheet of Egerton Gold Philippines Inc before consolidation adjustments is shown below:

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Non-current assets		
Deferred exploration costs	18,962,032	18,025,517
	18,962,032	18,025,517
Current liabilities		
Trade and other payables	(19,333,566)	(18,340,785)
Non-current liabilities		
Trade and other payables	-	(44,851)
Net liabilities	**(371,534)**	**(360,119)**
Equity		
Issued Capital	124,019	124,019
Retained Earnings	(495,553)	(484,138)
Total Equity	**(371,534)**	**(360,119)**

12.2 Investments in Joint Ventures - Gubong Project JV Co Pte Ltd

Summarised financial information in respect of the Group's 50% JV interest in Gubong Project JV Co Pte Ltd, which is the 100% owner of the South Korean Gubong Project Co Ltd is set out below. The summarised information represents amounts shown in the JV company's financial statements, as adjusted for differences in accounting policies. Amounts have been translated in accordance with the Group's accounting policy on foreign currency translation.

Investments - Gubong Project	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Opening balance	-	-
Advances to JV company	263,446	-
Cost of JV participation rights*	665,040	-
Share of loss	(172,338)	-
Closing balance	**756,148**	**-**

* The cost of JV participation rights relates to the share based payments to be made to Momentum - refer note 23.

Losses for the period ended 31 December 2019 were USD 344,677. USD 172,338 has been included in the Group's results in relation to the Group's 50% ownership of the company. A summary of the Balance Sheet of the Gubong Project companies before consolidation adjustments is shown below:

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18[2] (USD)

Non-current assets		
Tenements	990,069	-
Mine Development	182,371	-
Property Plant & Equipment (Net)	3,683	-
	1,176,123	-
Current assets		
Cash	33,796	-
Receivables	8,804	-
	42,600	-
Current liabilities		
Trade and other payables	(1,562,713)	
Net liabilities	**(343,990)**	**-**
Equity		
Issued Capital	2	-
Retained Earnings	(344,677)	
Reserves	685	-
Total Equity	**(343,990)**	**-**

12.3 Investments in Joint Ventures - Kochang Project JV Co Pte Ltd

Summarised financial information in respect of the Group's 50% JV interest in Kochang Project JV Co Pte Ltd, which is the 100% owner of the South Korean registered Geochang Project Co Ltd is set out below. The summarised information represents amounts shown in the JV company's financial statements, as adjusted for differences in accounting policies. Amounts have been translated in accordance with the Group's accounting policy on foreign currency translation.

Investments - Kochang Project	**18 months to 31-Dec-19 (USD)**	**12 months to 30-Jun-18[2] (USD)**
Opening balance	-	-
Advances to JV company	318,591	-
Cost of JV participation rights*	665,039	-
Share of loss	(138,815)	-
Closing balance	**844,815**	**-**

* The cost of JV participation rights relates to the share based payments to be made to Momentum - refer note 23.

Losses for the period ended 31 December 2019 were a loss of USD 277,629. USD 138,815 has been included in the Group's results in relation to the Group's 50% ownership of the

company. A summary of the Balance Sheet of the Kochang Project companies before consolidation adjustments is shown below:

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18[2] (USD)
Non-current assets		
Tenements	984,104	-
Mine Development	124,613	-
	1,108,717	-
Current assets		
Cash	74,660	-
Receivables	8,181	-
	82,841	-
Current liabilities		
Trade and other payables	(1,472,923)	
Net liabilities	**(281,365)**	**-**
Equity		
Issued Capital	2	-
Retained Earnings	(277,629)	
Reserves	(3,738)	-
Total Equity	**(281,365)**	**-**

12.4 Listed Equity Investments

The Company acquired 1,295,336 shares in Southern Gold Limited (SAU) as part of the farm-in arrangements for the South Korean projects. These were completed in the period for the Kochang project and by the conversion of the put option previously entered into by the Company for the Gubong project (note 17).

The investments were held at fair value (note 17) and deemed to be a Level 1 asset under IFRS 13.

In August 2019 the Company sold 647,668 of the shares in Southern Gold Ltd, purchased as part of the farm-in arrangements, in an off-market transaction for AUD 96,778 (USD 65,405) to meet the Company's short-term working capital requirements. The remaining 647,668 of shares in Southern Gold Ltd were sold to a party related to Colin Patterson in August 2019 for AUD 96,778 (USD 64,628).

The investment has been deemed to be a Level 1 asset under IFRS13.

13. Impairment of Assets and de-recognition liabilities

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Provision of debtors - White Tiger Mineral Resources Inc	(82,319)	-
De-recognition of liabilities - MRL Gold Inc	45,963	
Impairment of assets - Egerton Gold Philippines Inc	(2,141,600)	-
	(2,177,956)	**-**

White Tiger Mineral Resources Inc - in August 2017 the Company entered into an agreement to sell White Tiger Mineral Resources Inc (WTMR) to a group of private individuals for a nominal sum of USD 107,790 to be paid under certain conditions - representing a net gain of USD 91,109, recognised in the 12 months ended 30 June 2018. The initial payment of USD 25,471 was received in September 2017, leaving a balance due to the Company of USD 82,319 at 30 June 2018. No further payments have been received against this receivable in the period ended 31 December 2019. Discussions have been undertaken with the debtors and they have advised that they are focusing on non-Philippine ventures and do not expect to invest resources into the project in the near-term. The debt is considered unlikely to be recoverable at this time and has been fully provided for.

MRL Gold Inc - de-recognition of accrued expenses held in the company's balance sheet at 30 June 2018, but no longer deemed payable by the company at 31 December 2019.

Egerton Gold Philippines Inc - note 7.

14. Trade and Other Receivables

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Trade and other receivables*	3,030	85,349
Prepayments	10,609	5,336
	13,639	**90,685**

* The USD 82,319 due from WTMR has been fully provided for in the current period - refer note 13.

15. Cash and Cash Equivalents

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Cash at bank	6,039	41,082

16. Trade and Other Payables

16.1 Current Liabilities

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Trade and other payables	905,766	680,780
Accruals	27,218	82,322
	932,984	**763,102**

Trade and other payable at 31 December 2019 include USD 625,804 of amounts to be settled through the issuance of equity rather than cash.

16.2 Non-current Liabilities

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Trade and other payables	-	24,104
	-	**24,104**

17. Other Financial Liabilities

17.1 Other Financial Liabilities

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Loan notes issued to related parties	28,545	237,417
Loan notes issued to non-related parties	105,973	229,871
Pre-IPO loan notes	-	92,932
	134,518	**560,220**

17.2 Derivative Financial Liabilities

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Derivative financial liabilities - warrants	121,139	363,864
Derivative financial liabilities - put	-	74,813

option		
	121,139	**438,677**

17.3 Loans

In April 2017 the Group entered into Loan Notes with various parties worth USD 500,000 with each individual Loan Note being for USD 50,000. The convertible loan notes carry an 8% coupon payable in the form of ordinary shares. Other than USD 105,175, the loans were settled with equity at the June 2019 Prospectus (note 21).

Aidan Bishop and a non-related party advanced USD 92,932 to the Group in its start-up phase. The loan was reduced to a USD 80,000 liability in the period and transferred to a party related to Colin Patterson and settled with equity issued at the June 2019 Prospectus (note 21).

In August 2018 the Company entered into a gap loan funding agreement with a party related to Colin Patterson for USD 400,000. The terms of the agreement included interest and other set-up fees that equate to USD 46,500. The loan, plus the November 2017 loan of USD 350,000, were settled with equity issued at the June 2019 Prospectus (note 21).

In August 2019, the Company entered into short-term loan arrangements with shareholders for USD 35,833 to meet the Company's short-term working capital requirements. The loans carry an 8% pa coupon, to be settled in equity, and allows the loan holders to either have the funds returned after the next placing or to convert the loans to equity at a 10% discount to the five day Volume Weighted Average Price (VWAP). The holders agreed to convert these loans to equity in May 2020.

17.4 Share Warrants - Issued

Warrants issued and warrants to be issued denominated in Sterling are classified as derivative financial liabilities carried at fair value through profit and loss.

There were 26,626,920 warrants issued during the financial period.

	Weighted Average Exercise Award					
	2.00p	**2.50p**	**3.00p**	**3.50p**	**4.00p**	**5.75p**
Outstanding at 01 July 2017	**-**	**-**	**-**	**-**	**-**	**5,912,707**
Issued in 2017/18	-	-	-	-	6,460,000	-
Outstanding at 30 June 2018	**-**	**-**	**-**	**-**	**6,460,000**	**5,912,707**
Issued in 2018/19	4,900,000	4,750,000	2,200,000	2,325,000	9,951,920	2,500,000
Lapsed	-	-	-	-	(6,460,000)	(154,783)
Outstanding at 31 December 2019	**4,900,000**	**4,750,000**	**2,200,000**	**2,325,000**	**9,951,920**	**8,257,924**
Exercisable						

at 31 December 2019	4,900,000	4,750,000	2,200,000	2,325,000	9,951,920	8,257,924

The 2.00p, 2.50p and 3.00p warrants expired in June 2020 - refer note 25.

The warrants outstanding at 31 December 2019 include the following items held by Related Parties:

	Weighted Average Exercise Award					
	2.00p	**2.50p**	**3.00p**	**3.50p**	**4.00p**	**5.75p**
Colin Patterson and related	1,000,000	500,000	250,000	375,000	9,951,920	5,757,924
Aidan Bishop and related	198,251	99,126	99,126	99,126	-	-
Charles Barclay	500,000	250,000	250,000	250,000	-	-
Momentum Resources Ltd	801,749	400,874	400,874	400,874	-	-

The following warrants were issued in connection with the Company's capital raising activities in 2016:

Number	Exercise price	Expiry date
5,757,924	5.75p	no expiry date
154,783	5.75p	Expired 11 April 2019

The following warrants were issued in connection with the Company's capital raising activities in 2018:

Number	Exercise price	Expiry date
4,000,000	4.00p	18 June 2019
2,060,000	4.00p	20 June 2019
400,000	4.00p	18 September 2019

The following warrants were granted in connection with the Company's capital raising activities in 2019:

Number	Exercise price	Expiry date
11,011,360*	2.50p	13 June 2020
2,500,000	5.75p	13 June 2020

* 8,711,360 warrants were cancelled in the period in return for issue of 967,929 bonus shares at the option of the warrant holders, with only 2,300,000 being issued. This includes 345,689 shares issued to parties related to Colin Patterson and 334,578 shares issued to parties related to Aidan Bishop.

The following warrants were issued in connection with the Loan Notes entered into in April 2017 and the funding facility provided by a party related to Colin Patterson entered into in July 2018 (note 17):

Number	Exercise price	Expiry period
4,900,000*	2.00p	13 June 2020
2,450,000	2.50p	13 June 2020
2,200,000	3.00p	13 June 2020
2,325,000	3.50p	13 December 2020

*An additional 2,450,000 warrants at an exercise price of 2.00p were granted in the period following rollover of the loan notes.

The following warrants were issued in connection with the USD 350,000 funding facility provided by a party related to Colin Patterson entered into in the prior year (note 17). These warrants were classified as warrants to be issued in the prior year:

Number	Exercise price	Expiry period
9,951,920	4.00p	13 June 2020

At 31 December 2019, the warrants were fair valued at USD 121,139, using a Black-Scholes model, based on the following parameters - risk free rate 2.1%, volatility 73% for 3 year expiry and 50% for 6 months and 1 year expiry.

17.5 Share Warrants - Fair Value

The fair value of the warrants is derived from the Black-Scholes model on the parameters noted and is represented by the following table:

	18 months to 31-Dec-19		12 months to 30-Jun-18	
	Number	**(USD)**	**Number**	**(USD)**
Issued in April 2016 and outstanding	5,757,924	36,558	5,912,707	93,441
Issued in year ended 30 June 2018 and outstanding	-	-	6,460,000	25,858
Issued in period ended 31 December 2019 and outstanding	26,626,920	84,581	-	-
Derivative financial liabilities - issued	**32,384,844**	**121,139**	**12,372,707**	**119,299**
Derivative financial liabilities - unissued	-	-	18,688,504	244,565

Derivative financial liabilities - warrants	**32,384,844**	**121,139**	**31,061,211**	**363,864**

The warrants were fair valued using a Black Scholes model, based on the following parameters - risk free rate 2.1%, volatility of 73% for 3 years and 50% for 1 year.

17.6 Put Option

In June 2017, Colin Patterson subscribed, on behalf of the Company, for AUD 250,000 of ASX listed Southern Gold Limited shares at AUD 0.386 per share. These shares could be put to the company in exchange for shares in the Company to the value of AUD 250,000 at the next placing price of Company shares on notification by Colin Patterson to the Company.

The put option was settled by the issuance of BMV shares in the period and are included within issued share capital at the period end (note 21).

17.7 Reconciliation of Liabilities arising from Financing Activities
For the period ended 31 December 2019

	Non-current Other financial Liabilities (USD)	Current Other financial Liabilities (USD)	Derivative Financial Liabilities (USD)	Total (USD)
At 01 July 2017	**92,932**	**200,731**	**97,656**	**391,319**
Cash Flows	-	244,060	233,065	477,125
Non-cash flows:				
Amortisation of warrant costs	-	22,497	-	22,497
Reclassification from non-current to current liabilities	(92,932)	92,932	-	-
Fair Value Changes	-	-	107,956	107,956
At 30 June 2018	**-**	**560,220**	**438,677**	**998,897**
Cash Flows	-	435,833	-	**435,833**
Non-cash flows:				
Warrant costs	-	(63,504)	63,504	**-**
New warrants	-	-	38,988	**38,988**
Other loan issue costs	-	(34,500)	-	**(34,500)**
Amortisation of loan costs	-	122,771	-	**122,771**
Settlement through issue of shares	-	(881,362)	(182,245)	**(1,063,607)**
Fair Value Changes	-	(4,940)	(237,785)	**(242,725)**

At 31 December 2019	**-**	**134,518**	**121,139**	**255,657**

18. Financial Instruments

18.1 Financial Assets measured at Amortised Cost

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Trade and other receivables	3,030	85,349
Cash and cash equivalents	6,039	41,082
	9,069	**126,431**

18.2 Financial Liabilities measured at Amortised Cost

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Trade and other payables - current	932,984	763,102
Trade and other payables - non-current	-	24,104
Other financial liabilities	134,518	560,220
	1,067,502	**1,347,426**

18.3 Derivative Financial Liabilities measured at Fair Value

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Derivative financial liabilities - warrants	121,139	363,864
Derivative financial liabilities - put option	-	74,813
	121,139	**438,677**

18.4 Fair Values

The fair values of the Group's cash, trade and other receivables and trade and other payables are considered equal to their book value.

Other financial liabilities are initially measured at fair value and subsequently at amortised cost. The fair values of the Group's other financial liabilities are considered equal to the book values as the effect of discounting on these financial instruments is not considered to be material.

The put option and shares acquired in Southern Gold Limited were classified as a Level 1 financial instrument as the value of the option at the period end is determined by reference to the quoted share price of Southern Gold and a fixed monetary amount.

The warrants are classified as Level 3 financial instrument as certain inputs to the Black-Scholes valuation model are not based on observable market data.

18.5 Liquidity Risk

The Group monitors constantly the cash outflows from day to day business and monitors long term liabilities to ensure that liquidity is maintained. As disclosed in the going concern statement in note 2, the Group is actively addressing the requirement to manage the funds it is able to generate as well as to raise new financing to fund corporate and development activities. This is an area which receives considerable focus from the Board and management on a daily basis. The liabilities are due on demand.

18.6 Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. In order to minimise this risk, the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored.

Credit risk on cash and cash equivalents is considered to be acceptable as the counterparties are either substantial banks with high credit ratings or with whom the Group has offsetting debt arrangements.

Trade and other receivables have been recorded at cost and are in accordance with contractual arrangements.

18.7 Interest rate risk

At the balance sheet date the Group does not have any long-term variable rate borrowings.

18.8 Foreign currency risk

The Group's cash at bank balance consisted of the following currency holdings:

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Sterling	2,532	796
US Dollars	1,070	36,053
Philippine Pesos	2,437	4,233
	6,039	**41,082**

The Group is exposed to transaction foreign exchange risk due to transactions not being matched in the same currency. This is managed, where possible and material, by the Group retaining monies received in various currencies in order to pay for expected liabilities in that currency. The Group currently has no currency hedging in place.
The Group's exposure to financial assets and financial liabilities is as shown in the following tables:

Financial Assets	**18 months to 31-Dec-19 (USD)**	**12 months to 30-Jun-18 (USD)**
US Dollars	1,070	121,402
Sterling	13,140	796
Philippine Pesos	5,468	4,233
	19,678	**126,431**

Financial Liabilities - Current	**18 months to 31-Dec-19 (USD)**	**12 months to 30-Jun-18 (USD)**
Sterling	147,103	134,025
US Dollars	942,357	1,043,491
Philippine Pesos	99,181	145,806
	1,188,641	**1,323,322**

Financial Liabilities - Non-current	**18 months to 31-Dec-19 (USD)**	**12 months to 30-Jun-18 (USD)**
Sterling	-	-
Philippine Pesos	-	24,104
	-	**24,104**

The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Philippines Peso and Sterling, but these are not significant as most of the transactions are in USD. However, the Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

19. Capital Management

The Group's capital management objectives are to ensure that the Group's ability to continue as a going concern, and to provide an adequate return to shareholders.

The Group manages the capital structure through a process of constant review and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares, adjust dividends paid to shareholders, return capital to shareholders, or seek additional debt finance.

The nature of the Group's equity reserves is:

- Reserves - cumulative gains and losses on translating the net assets of overseas operations to the presentation currency, and share based payments for the acquisition of joint venture participation rights;
- Unissued share capital - this reflects the value of equity that management has agreed to issue for settlement of remuneration, liabilities and funding provided;
- Retained surplus / accumulated losses - comprise the Group's cumulative accounting profits and losses since inception.

20. Share Based Payments

20.1 Issued Shares

	18 months to 31-Dec-19	12 months to 30-Jun-18
	Number	Number
Non-related parties	1,985,999	-
Momentum Resources Ltd: March 2017 Agreement	24,000,000	
	25,985,999	**-**

The 1,985,199 shares were issued in settlement of services rendered to the Group, at a value of USD 65,641, to four non-related parties.

The 24,000,000 shares issued under the June 2019 Prospectus to Momentum Resources Ltd were in settlement of three out of five milestones achieved under the March 2017 agreement between the companies, as detailed in note 23, at a fair value of USD 714,867.

20.2 Unissued Shares

	18 months to 31-Dec-19	12 months to 30-Jun-18
	Number	Number
Momentum Resources Ltd: March 2017 Agreement	-	8,000,000
	-	**8,000,000**

21. Share Capital

21.1 Issued Share Capital

	18 months to 31-Dec-19		12 months to 30-Jun-18	
	Number	**USD**	**Number**	**USD**
Opening Balance	215,173,938	3,606,596	204,713,938	3,289,581
Shares issued in the period (net cash)	22,122,471	679,420	10,460,000	317,015
Share issue costs - warrants	-	(38,500)	-	-
Share based payments	1,985,999	65,641	-	-
Momentum Resources Limited	16,000,000	506,954		
Transfer from unissued share capital	39,032,560	1,115,478	-	-
Settlement of liabilities	49,511,529	1,431,310	-	-
Salary sacrifice	6,300,930	185,763	-	-
Treasury shares	15,874,190	-	-	-
Closing Balance	**366,001,617**	**7,552,622**	**215,173,938**	**3,606,596**

The shares have no par value.

21.2 Unissued Share Capital

	18 months to 31-Dec-19		12 months to 30-Jun-18	
	Number	**USD**	**Number**	**USD**
Salary Sacrifice	8,232,582	230,223	22,924,389	738,056
April 2017 Loan Notes	-	-	-	-
Related Party to Colin Patterson	-	-	9,263,504	204,261
Momentum Resources Ltd	-	-	8,000,000	207,913
Other	-	-	831,055	24,679
	8,232,582	**230,223**	**41,018,948**	**1,174,909**

21.3 Earnings Per Share

	18 months to 31-Dec-19 (USD)	12 months to 30-Jun-18 (USD)
Basic and diluted loss per share	(0.0164)	(0.0075)

Loss used to calculate basic and diluted loss per share	(4,381,009)	(1,735,984)
Weighted average number of shares used in calculating basic and diluted and loss per share*	266,565,515	231,228,811

* The weighted average number of shares exclude treasury shares issued in the period of 15,874,190.

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding and shares to be issued during the period.

In 2019 and 2018, the potential ordinary shares were anti-dilutive as the Group was in a loss making position and therefore the conversion of potential ordinary shares would serve to decrease the loss per share from continuing operations. Where potential ordinary shares are anti-dilutive a diluted earnings per share is not calculated and is deemed to be equal to the basic earnings per share.

The warrants noted in note 17 could potentially dilute EPS in the future.

21.4 Substantial Shareholders

At 31 December 2019 the following had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares.

	Number	**%**
Fiske Nominees Limited	106,360,040	29.1
Rene Nominees (IOM) Limited	102,017,843	27.9
Hargreaves Lansdown (Nominees) Limited	15,798,160	4.3
Jim Nominees Ltd	14,534,926	4.0
Interactive Investor Services Nominees Limited	13,365,315	3.7
Roy Nominees Limited	12,250,000	3.3

22. Related Party Transactions

22.1 Amounts Due to Related Parties

	18 months to 31-Dec-19 (USD)	**12 months to 30-Jun-18 (USD)**
Aidan Bishop	82,484	164,348
Aidan Bishop (Pre-IPO Loan Notes)	-	31,715
Charles Barclay	246,804	156,755
Colin Patterson	46,698	56,419
Jonathan Morley-Kirk	33,664	2,784
Clive Sinclair-Poulton	21,017	-
Messrs Patterson, Bishop & Barclay (Loan Notes)	-	200,000

Momentum Resources Ltd (Loan Notes)	23,685	50,000
	454,252	**662,021**

The parties have agreed to convert USD 446,126 of this balance due post period end - refer note 8. The equity will be issued at a future date to be agreed.

22.1 Other Related Party Transactions

Directors Remuneration and Key Management Personnel - note 8
Issued and unissued share capital - note 21
Loans and warrants - note 17

23. Contingent consideration

In March 2017 the Company entered into an agreement with Momentum Resources Limited, a related party, to issue up to 80 million shares to acquire Momentum's joint venture participation rights in respect of the Gubong and Kochang gold projects. The shares are issued in accordance with agreed milestones up to first gold production and the first four milestones for the issue of 32 million shares had been achieved by 31 December 2019.

Following the signing of the Gubong joint venture agreement on 17 August 2018 the Momentum agreement requires the Group to issue a further 48 million shares, 50% on commencement of funding for construction and 50% on pouring first gold. These share based payments represent a cost of investment in the joint ventures and IFRS requires their fair value to be recognised as a cost of investment at the date of signing the formal joint venture agreement. In assessing the fair value of the share based payment the Board has considered the probability of the shares being issued, which in turn requires an assessment of underlying risks associated with the projects including, permitting, funding and execution risks. The underlying share price used for the valuation is [2.56p] being the company's share price on 17 August 2018.

The resulting cost of investment of USD 1,330,079 has been allocated equally between the Gubong and Kochang investments and included in Reserves within equity.

24. Capital Commitments

At 31 December 2019 the Group had entered into no contractual commitments for the acquisition of property, plant and equipment.

25. Events After the Reporting Date

In February 2020, the Board has approved the issuance of 13,595,747 shares related to salary sacrifice and outstanding creditors of USD 363,830 incurred in the period from 01 May 2019 to 31 December 2019. The Directors and Management have agreed for the issuance to be deferred to a later date yet to be specified.
On 26 March 2020, the Company announced that it had secured short-term funding of GBP 200,000 from investors to ensure it can meet its obligations until funding for the projects is received. The loan has a maturity date of five months from execution, carries a fixed interest of GBP 10,000 payable at the end of the loan term and the Company may draw down the loan amount in stages as agreed with the Loan Provider. The Company has issued 15,384,615 warrants to the loan provider with an exercise price of 1.3p per share and a maturity of two years. In the event the warrants are exercised the proceeds will be deducted from the loan amount. On 26 May 2020, the Company announced that the investor had exercised 3,846,153 warrants.

On 26 March 2020, the Company announced that it 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 through a path to provide USD 5,000,000 of debt finance that will be repaid from future gold production.

On 26 May 2020 the Company announced that 1,200,000 new ordinary shares had been issued at a price of 3.742 pence per share in lieu of cash fees due to an adviser with a notional value of GBP 44,904. In addition, the Company announced that 1,851,919 new ordinary shares of the Company at a price of 2.5 pence per share to settle April 2017 loans and 1,164,517 new ordinary shares of the Company at a price of 2.5017 pence per share to settle short term loans held by the Company at 31 December 2019.

On 18 June 2020 the Company announced that GBP 141,867 had been raised from shareholders for the exercise of 6,106,843 warrants - resulting in 3,443,157 warrants lapsing at that time.

As noted in the Directors' Report, the COVID-19 pandemic has impacted the ability of the Company to progress fund raising and is expected to remain constrained for so long as current market conditions and general concerns amongst investors prevail. It has had limited effect on operational progress so far, but may adversely affect the Group's ability to implement its planned development programmes for the coming year. The Company will continue to actively monitor the response to the pandemic and will manage consequence as they arise.

26. Shares in Group Undertakings

During the period the subsidiaries and associate of the Company, including those indirectly held by the Company, are shown in the following table.

			Percentage of Ordinary Share Capital Held	
Name of Entity	**Nature of Business**	**Country of Registration**	**2019**	**2018**
Bluebird Merchant Ventures Inc	Non-trading	Philippines	99%	99%
MRL Gold Inc	Batangas Gold Project	Philippines	100%	100%
Egerton Gold Philippines Inc	Batangas Gold Project	Philippines	40%	40%
Gubong Project JV Co PTE Ltd*	South Korea Gold Projects	Singapore	50%	-
Kochang Project JV Co PTE Ltd**	South Korea Gold Projects	Singapore	50%	-

* Gubong Project JV Co PTE Ltd is the 100% holder of the Republic of Korea registered Gubong Project Co Ltd (note 12)
** Kochang Project JV Co PTE Ltd is the 100% holder of the Republic of Korea registered Geochang Project Co Ltd (note 12)

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