RNS Number : 8962U
Bluebird Merchant Ventures Limited
03 August 2020

Bluebird Merchant Ventures Ltd

(the "Company" or "Bluebird")

Joint Venture And Funding Update

Bluebird Merchant Ventures (EPIC: BMV), the Korean focused gold development group is pleased to announce a Joint Venture and Funding Update with regards to the South Korean Projects.

Highlights:

- **Southern Gold has been deemed to offer to sell its Joint Venture Interest to Bluebird**
- **Joint Venture Agreements sets out a clear path to Bluebird owning 100% of the South Korean Projects**
- **Project Funding for 100% of the Project costs to be made available at the conclusion of the process with Southern Gold**

At the Joint Venture Board meeting, held last Thursday in Singapore, the Company as Manager of the Joint Venture, under the terms of the Joint Venture Agreement ("JVA"), formally presented the Redevelopment Proposal and associated budget to Southern Gold. Southern Gold have declined to approve the development of the two South Korean projects at this time.

Southern Gold gave reasons for their decision in their news release today which can be accessed at https://www.asx.com.au/asxpdf/20200803/pdf/44l47g0jrvd7k6.pdf

The Company respects Southern Gold's point of view but strongly disagrees with their view on the timing of county government approvals. Both projects have been granted a Permit to Develop which allows for mining operations to commence. The Permit to Develop was granted for both Projects and as required by the process received unanimous regulatory support from the county.

Every mining project in the world requires various ancillary approvals and permissions, both prior to and during mining operations. It is common practice that these are sought once the project is underway. Given that the key permission, the Permit to Develop, has been granted the Company does not expect to encounter any issues that will prevent or delay mining operations commencing.

Under the terms of the JV Agreement, Southern Gold have now effectively deemed to have offered to sell their 50% interest in the South Korean projects to Bluebird. The JVA sets out a clear process that governs the path that may lead to Bluebird acquiring 100% of the South Korean projects within a reasonable period of time. Under the terms of the JVA, Bluebird has 45 days to present an offer to Southern Gold to acquire their interest. The Company intends to make an offer to Southern Gold within the required period of time.

The Company notes that Southern Gold comment in their announcement regarding the potential sale to a third party should a sale to Bluebird not eventuate. The Company notes that under the terms of the JVA, the Company has the right to match any bonafide offers from a third party.

The Company has held discussions with its funding partners who deem the prospect of Bluebird increasing its interest in the South Korean projects as very positive given the current price of gold and the robust project economics. However, it has been agreed that this process needs to reach a satisfactory conclusion in order that the redevelopment can take place prior to the release of funding. The Company notes that this funding will be sufficient to fund 100% of the project costs.

The Company will update the market in due course with regards to progress towards increasing its stake in the South Korean Projects.

Colin Patterson, CEO, commented:

"Bluebird has been presented with a great opportunity to increase its stake in the South Korean Projects. With the price of gold at record highs, the timing could not be better and we intend to conclude the process with Southern Gold as quickly as possible."

"In five decades in the mining industry I have never seen a jurisdiction approve a mining permit as quickly as we have seen in South Korea. The fact that we enjoy incredible support for reopening the mines in South Korea is very encouraging. In every mining project that I have been involved with over the past five decades, ancillary permissions were always sought and gained 'on the move' and I expect it to be no different on this occasion."

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

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Jonathan Morley-Kirk, Non-Executive Chairman

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