RNS Number : 7397D
Bluebird Merchant Ventures Limited
30 October 2020

Bluebird Merchant Ventures Ltd

(the "Company" or "Bluebird")

Half Yearly Report to 30 June 2020

Bluebird Merchant Ventures (EPIC: BMV), the Korean focused gold development group is pleased to announce the publication of its Half Yearly Report to 30 June 2020. The Report is set out below this announcement.

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

Enquiries:

Bluebird Merchant Ventures Ltd jmk@bluebirdmv.com

Jonathan Morley-Kirk, Non-Executive Chairman

CHAIRMAN'S STATEMENT

The half-year to 30 June 2020 saw steady progress on the two mines in South Korea. The Management Team had been moving steadily towards re-opening these old mines. This progress has been delayed post reporting date by our Joint Venture partner Southern Gold Limited who have been deemed to offer to sell its 50% interest in both of the projects to the Company. The Joint Venture Agreement provides for a clear sales process and timelines and I expect that this will be concluded in Q4 2020.

My thanks go to the Management Team for their hard work in developing the re-opening plans. This includes pursuing a proposed innovative funding solution to fund the re-opening of the mines. I look forward to the conclusion of the sales process and for construction to get underway.

With the gold price being around the USD 1,900 per oz and with the prospect of owning 100% of both mines, Bluebird is in the strongest position it has ever been in, to create substantial value for shareholders.

Jonathan Morley-Kirk
Chairman
30 October 2020

DIRECTORS' REPORT

The Directors present their report together with the unaudited financial statements of the Group for the half-year ended 30 June 2020.

The Group

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

The sole subsidiary of the Group is MRL Gold Inc. Egerton Gold Philippines Inc is the sole associate company. These companies are registered and domiciled in the Philippines.

The Group has a 50:50 Joint Venture with Southern Gold Limited in Gubong JV Project Co Private Limited and Kochang JV Project Co Private Limited, which are registered and domiciled in Singapore. These companies are the 100% owner of the South Korean registered and domiciled Gubong Project Co Limited and Geochang Project Co Limited respectively.

Results and Dividends

The results of the Group for the half-year ended 30 June 2020 show a loss before taxation of USD 638,051 (30 June 2019 showed a re-stated loss of USD 3,140,477, including USD 2,121,461 write off of Batangas as detailed in the 31 December 2019 Annual Report).

No dividends have been paid or proposed for the period.

Operational Activities

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.

The Group will focus activities on its South Korean projects at Gubong and Geochang in the coming period.

Events after the Reporting Period

Refer note 10 of the Financial Statements.

Company Directors

	Position	Appointed	Audit Committee	Remuneration Committee	H&S Committee
J. Morley-Kirk	Non-Exec. Chairman	March 2014	Chair	Member	Member
C. Sinclair-Poulton	Non-Exec. Director	September 2015	Member	Chair	Chair
A. Bishop	Executive	March 2014	-	-	-
C. Barclay	Executive	March 2017	-	-	-
C. Patterson	Executive	September 2015	-	-	-

Share Capital

At 30 June 2020 the issued share capital of the Company stood at 388,032,022.

This Directors' Report was approved by the Board of Directors on 22 October 2020 and is signed on its behalf.

By Order of the Board

Jonathan Morley-Kirk
Chairman
30 October 2020

FINANCIAL STATEMENTS

Consolidated Income Statement
For the half-year ended 30 June 2020

	Note	30 Jun 2020 (USD) (Unaudited)	30 Jun 2019 (USD) (Unaudited)
Revenue		-	-
Cost of Sales		-	-
Gross profit/(loss)		**-**	**-**
Administrative expenses		(336,970)	(409,813)
Farm-in management fees earnt/(costs)		12,107	(200,567)
Operating profit/(loss)		**(324,863)**	**(610,380)**
Share of loss of joint ventures		(92,501)	(189,431)
Share of loss of Associate		-	(3,892)

Exchange loss		(1,284)	(3,453)
Finance expense	8	(219,403)	(175,504)
Impairment loss - MRL		-	(36,356)
Impairment loss - Batangas		-	(2,121,461)
Profit/(loss) before taxation		**(638,051)**	**(3,140,477)**
Income tax expense		-	(4,085)
Profit/(loss) for the period		**(638,051)**	**(3,144,562)**
Attributable to:			
Equity shareholders to the parent company		(638,051)	(3,144,562)
Earnings per share:			
Basic and diluted profit/(loss) per share (cents per share)	7	(0.0017)	(0.0131)

The accompanying accounting policies and notes form an integral part of this financial report.

Consolidated Statement of Comprehensive Income
For the half-year ended 30 June 2020

	30 Jun 2020 (USD) (Unaudited)	**30 Jun 2019 (USD) (Unaudited)**
Loss for the period	**(638,051)**	**(3,144,562)**
Exchange difference on translating foreign companies*	(5,141)	13,889
Share of other comprehensive income of associate*	89,680	79,741
Total comprehensive income for the period	**(553,512)**	**(3,050,932)**

* Items may be reclassified to profit or loss

The accompanying accounting policies and notes form an integral part of this financial report.

Consolidated Statement of Financial Position
At 30 June 2020

	Note	**30 Jun 2020 (USD) (Unaudited)**	**30 Jun 2019 (USD) (Unaudited)**
Non-current assets			
Investment in joint ventures		1,588,580	1,579,773
		1,588,580	1,579,773
Current assets			
Investment in listed entities		-	113,719
Trade and other receivables	6	41,616	3,030
Cash and cash equivalents		158,148	14,515
		199,764	131,264
Current liabilities			
Trade and other payables	2	(320,619)	(944,226)
Other financial liabilities	2	(62,907)	(105,175)
Derivative financial liabilities	5	(329,944)	(121,139)
		(713,470)	(1,170,540)
Net Assets		**1,074,874**	**540,497**

Equity			
Issued share capital	7	8,561,524	4,558,430
Unissued share capital	7	417,747	2,987,155
Reserves	9	1,433,555	1,334,743
Retained earnings		(9,337,952)	(8,339,831)
Total Equity		**1,074,874**	**540,497**

The accompanying accounting policies and notes form an integral part of this financial report.

Jonathan Morley-Kirk
Chairman
30 October 2020

Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2020

	Share Capital (USD)	**Unissued Share Capital (USD)**	**Retained Earnings (USD)**	**Reserves (USD)**	**Total Equity (USD)**
At 31 Dec 2018	**4,019,569**	**2,079,558**	**(5,195,269)**	**(89,166)**	**814,692**
Profit/(loss) for the period	-	-	(3,144,562)	-	**(3,144,562)**
Other comprehensive profit/(loss)	-	-	-	93,829	**93,829**
Total comprehensive profit/(loss)	-	-	(3,144,562)	93,829	**(3,050,733)**
Shares issued/to be issued	538,861	907,597	-	-	**1,446,458**
Share based payments	-	-	-	1,330,080	**1,330,080**
Total transaction with owners	538,861	907,597	(3,144,562)	1,423,909	**(274,195)**
At 30 Jun 2019	**4,558,430**	**2,987,155**	**(8,339,831)**	**1,334,743**	**540,497**
Profit/(loss) for the period	-	-	(360,070)	-	**(360,070)**
Other comprehensive profit/(loss)	-	-	-	14,273	**14,273**
Total comprehensive profit/(loss)	-	-	(360,070)	14,273	**(345,797)**
Shares issued/to be issued	2,994,232	(2,756,922)			**237,310**
Total transaction with owners	2,994,232	(2,756,922)	(360,070)	14,273	**(108,487)**
At 31 Dec 2019	**7,552,662**	**230,233**	**(8,699,901)**	**1,349,016**	**432,010**
Profit/(loss) for the period	-	-	(638,051)	-	**(638,051)**
Other comprehensive profit/(loss)	-	-	-	84,539	**84,539**
Total comprehensive profit/(loss)	-	-	(638,051)	84,539	**(553,512)**
Shares issued/to be issued	1,008,862	187,514	-	-	**1,196,376**
Total transaction with owners	1,008,862	187,514	(638,051)	84,539	**642,864**
At 30 Jun 2020	**8,561,524**	**417,747**	**(9,337,952)**	**1,433,555**	**1,074,874**

The accompanying accounting policies and notes form an integral part of this financial report.

Consolidated Cash Flow Statement
For the half-year ended 30 June 2020

	30 Jun 2020 (USD) (Unaudited)	30 Jun 2019 (USD) (Unaudited)
Cash flows from operating activities		
Cash paid to suppliers and employees	(194,021)	(667,459)
Net cash from operating activities	**(194,021)**	**(667,459)**
Cash flows from investing activities		
Loans to joint ventures	(80,119)	(439,124)
Net cash used investing activities	**(80,119)**	**(439,124)**
Cash flows from financing activities		
Net proceeds from equity issued	363,342	680,016
Proceeds from short-term debt	62,907	400,000
Net cash used financing activities	**426,249**	**1,080,016**
Net increase/(decrease) in cash	**152,109**	**(26,567)**
Cash and cash equivalents at the start of the period	6,039	41,082
Cash and cash equivalents at the end of the period	158,148	14,515

The accompanying accounting policies and notes form an integral part of this financial report.

NOTES TO THE FINANCIAL INFORMATION
For the half-year ended 30 June 2020

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

The Group financial statements consolidate those of the Group 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 at 31 December 2019. The report has been prepared in accordance with IAS 34.

The operations are not subject to seasonal variations.

The Group notes that no newly effective IFRS Standards had an impact on the Group in the period.

The financial statements are in compliance with the DTR rules and the accounting policies are consistent with the Group's Annual Report.

2. Going Concern

The Groups current liabilities are as follows:

	Current Liability (USD) (Unaudited)
Trade Payables	320,619
Loan Notes	62,907
Derivative Financial Liabilities	329,944
Total	713,470

The USD 713,470 includes non-cash fair value amounts of USD 329,944 and loan notes of USD 62,907 that have been settled after the period end (refer note 9).

The Directors are aware that further funding will be required for the continuing Gubong and Kochang Joint Ventures. The Directors have entered into agreements with parties in South Korea and upon conclusion of the sales process with Southern Gold Limited remain confident that the required capital will be provided from these agreements in the form of debt finance.

The Directors continue to adopt the Going Concern basis in preparing the Group's financial statements.

3. Segmental Reporting

3.1 For the period ended 30 June 2020

Income Statement For the half-year ended 30 June 2020	**BVI (USD) (Unaudited)**	**Philippines (USD) (Unaudited)**	**South Korea (USD) (Unaudited)**	**Total (USD) (Unaudited)**
Administrative costs	(331,952)	(6,302)	-	**(338,254)**
Farm-in costs	-	-	12,107	**12,107**
Share of loss from joint ventures	-	-	(92,501)	**(92,501)**
Finance costs	(219,403)	-	-	**(219,403)**
Loss for the period	**(551,355)**	**(6,302)**	**(80,394)**	**(638,051)**
Other comprehensive income	-	84,539	-	**84,539**
Total comprehensive income for the period	**(551,355)**	**78,237**	**(80,394)**	**(553,512)**

Statement of Financial Position At 30 June 2020	**BVI (USD) (Unaudited)**	**Philippines (USD) (Unaudited)**	**South Korea (USD) (Unaudited)**	**Total (USD) (Unaudited)**
Non-current assets	-	-	1,588,580	**1,588,580**
Trade and other receivables	41,616	-	-	**41,616**
Cash and cash equivalents	155,664	2,484	-	**158,148**
Total assets	**197,280**	**2,484**	**1,588,580**	**1,788,344**
Current liabilities	(230,820)	(89,799)	-	**(320,619)**
Other financial liabilities	(62,907)	-	-	**(62,907)**
Derivative financial liabilities	(329,944)	-	-	**(329,944)**
Net assets	**(426,391)**	**(87,315)**	**1,588,580**	**1,074,874**

3.2 For the period ended 30 June 2019

Income Statement For the half-year ended 30 June 2019	**BVI (USD) (Unaudited)**	**Philippines (USD) (Unaudited)**	**South Korea (USD) (Unaudited)**	**Total (USD) (Unaudited)**
Administrative costs	(363,505)	(49,761)	-	**(413,266)**
Farm-in costs	-	-	(200,567)	**(200,567)**
Share of loss from joint ventures	-	-	(189,431)	**(189,431)**
Finance costs	(175,504)	-	-	**(175,504)**
Impairment of investment in associate	-	(2,121,461)	-	**(2,121,461)**
Share of loss from associate	-	(3,892)	-	**(3,892)**
Impairment of assets and liabilities	-	(36,356)	-	**(36,356)**
Income tax expense	-	(4,085)	-	**(4,085)**
Loss for the period	**(539,009)**	**(2,215,555)**	**(389,998)**	**(3,144,562)**
Other comprehensive income	-	93,630	-	**93,630**
Total comprehensive income for the period	**(539,009)**	**(2,121,925)**	**(389,998)**	**(3,050,932)**

Statement of Financial Position At 30 June 2019	**BVI (USD) (Unaudited)**	**Philippines (USD) (Unaudited)**	**South Korea (USD) (Unaudited)**	**Total (USD) (Unaudited)**
Non-current assets	-	-	1,579,773	**1,579,773**
Trade and other receivables	116,749	-	-	**116,749**
Cash and cash equivalents	12,104	2,411	-	**14,515**
Total assets	**128,853**	**2,411**	**1,579,773**	**1,711,037**
Current liabilities	(845,764)	(98,462)	-	**(944,226)**
Other financial liabilities	(105,175)	-	-	**(105,175)**
Derivative financial liabilities	(121,139)	-	-	**(121,139)**
Net assets	**(943,225)**	**(96,051)**	**1,579,773**	**540,497**

4. Loss for the Period before Tax

	30 Jun 2020 (USD) (Unaudited)	**30 Jun 2019 (USD) (Unaudited)**
Loss for the Year has been arrived at after charging:		
Directors Remuneration	121,398	164,526
Staff Costs	154,660	222,791

5. Derivative Financial Liabilities

5.1 Derivative Financial Liabilities

	30 Jun 2020 (USD) (Unaudited)	**30 Jun 2019 (USD) (Unaudited)**
Derivative financial liabilities - warrants	329,944	121,139
Total	**329,944**	**121,139**

5.2 Loan Notes

In March 2020 the Group announced it had entered into a short-term funding of GBP 200,000 with a non-related party. The funding carried a fixed interest of GBP 10,000 payable at the end of the Loan Term, could be drawn down in stages and the Group 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 are to be deducted from the loan amount.

From 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. At 30 June 2019, the balance of these loan notes was USD 105,175 - of which USD 30,175 was due to related parties.

5.3 Share Warrants - Issued

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

There were 29,573,306 warrants in issuance at 30 June 2020.

	Weighted Average Exercise Award						
	1.30p	**2.00p**	**2.50p**	**3.00p**	**3.50p**	**4.00p**	**5.75p**
Outstanding at 30 Jun 2018	**-**	**-**	**-**	**-**	**-**	**6,460,000**	**5,912,707**
Issued in 2018/19	-	4,900,000	2,450,000	2,200,000	2,325,000	9,951,920	2,500,000
Lapsed	-	-	-	-	-	(6,460,000)	(154,783)
Outstanding at 30 Jun 2019	**-**	**4,900,000**	**2,450,000**	**2,200,000**	**2,325,000**	**9,951,920**	**8,257,924**
Issued in 2019/20	15,384,615	-	-	-	-	-	-
Lapsed	-	(1,514,162)	(950,000)	(978,995)	-	-	(2,500,000)
Exercised	(3,846,153)	(3,385,838)	(1,500,000)	(1,221,005)	-	-	-
Outstanding at 30 Jun 2020	**11,538,462**	**-**	**-**	**-**	**2,325,000**	**9,951,920**	**5,757,924**

At 30 June 2020, these warrants were fair valued at USD 329,944, using a Black-Scholes model, based on the following parameters - risk free rate 2.10%, volatility 73% for 3 year expiry and 50% for 1 year expiry.

6. Trade and Other Receivables

	30 Jun 2020 (USD) (Unaudited)	**30 Jun 2019 (USD) (Unaudited)**
Deposits	3,030	3,030
Trade Debtors	38,586	-
Total	**41,616**	**3,030**

7. Share Capital

7.1 Issued Share Capital

	30 Jun 2020		**30 Jun 2019**	
	Number	**USD**	**Number**	**USD**
Opening Balance	247,349,075	4,558,430	215,173,938	3,606,596
Issued During the Period (Net of Issue Costs)	140,682,947	4,003,094	32,175,137	951,834
Closing Balance	**388,032,022**	**8,561,524**	**247,349,075**	**4,558,430**

The shares have no par value.

7.2 Unissued Share Capital

	30 Jun 2020		**30 Jun 2019**	
	Number	**USD**	**Number**	**USD**
Salary Sacrifice	18,780,585	498,007	24,071,977	761,655
April 2017 Loan Notes	-	-	15,673,704	459,494
Kensington Trust Singapore	-	-	34,697,250	929,701

Limited**				
Momentum Resources Limited	-	-	24,000,000	714,867
Other	1,167,398	(80,260)***	7,520,378*	121,438
Total	**19,947,983**	**417,747**	**105,963,309**	**2,987,155**

* Includes 5,543,003 issued to parties related to Aidan Bishop and 1,894,149 issued to parties related to Colin Patterson
** Party related to Colin Patterson *** Includes fair value adjustments of (USD 110,539)

Directors and Senior Management have agreed for the issuance of shares due at 30 June 2020 to be deferred to a later date yet to be specified.

The unissued shares 30 June 2019 were approved for issuance under the June 2019 Prospectus, but admitted to trading after 30 June 2019.

7.3. Earnings Per Share

	30 Jun 2020 (USD) (Unaudited)	**30 Jun 2019 (USD) (Unaudited)**
Basic and diluted earnings per share	(0.0017)	(0.0131)
Loss used to calculate basic and diluted earnings per share	(638,051)	(3,144,562)
No. of shares used in calculating basic and diluted earnings per share	373,096,736	239,265,742

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 year.
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 share are anti-dilutive a diluted earnings per share is not calculated and is deemed to be equal to the basic earnings per share.

8. Finance Expense

	30 Jun 2020 (USD) (Unaudited)	**30 Jun 2019 (USD) (Unaudited)**
Loan note interest and finance expenses	(10,598)	(147,713)
Fair value movement	(208,805)	(27,791)
Total	**(219,403)**	**(175,504)**

9. Reserves

	30 Jun 2020 (USD) (Unaudited)	**30 Jun 2019 (USD) (Unaudited)**
Translation Reserve	103,475	4,663
Share Based Payments Reserve	1,330,080	1,330,080
Total	**1,433,555**	**1,334,743**

10. Events After the Reporting Period

On 03 August 2020 the Group announced that Southern Gold Limited have been deemed to offer to sell its Joint Venture Interest to the Group and that the Joint Venture Agreements set out a clear path to the Group owning 100% of the South Korean projects. The Group announced that project funding for 100% of the Project costs were to be made available at the conclusion of the process with Southern Gold Limited.

On 05 August 2020 the Group announced that a non-related party had exercised 8,846,153 warrants at 1.3p and that the Group had issued 769,231 shares fee shares. The proceeds from the exercise of warrants was GBP 115,000 and have been applied to the outstanding loan balance related to the short term loan that was announced in March 2020.

On 23 September 2020 the Group announced that it had received communication that there is local support to restart the project in Batangas, Philippines.

On 28 September 2020 the Group announced receiving the first tranche of non-dilutive funding from its South Korean funding partners.

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