RNS Number : 7871N
Bluebird Merchant Ventures Limited
23 January 2019

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Bluebird Merchant Ventures Ltd

(the "Company" or "Bluebird")

2019 Strategy Update

Bluebird Merchant Ventures (EPIC: BMV), the Asian focused resource development group, is pleased to announce an update regarding its 2019 strategy.

Highlights:

- **Both the Gubong and Kochang mines to move forward simultaneously**
- **Potential for a reduced capital ticket**
- **Possibility for a single processing facility being assessed**
- **Gold production to commence by the end of 2019**

The Company expects to receive permits to develop both the Kochang and Gubong mines during Q1 2019. These permits would allow the Company to carry out all mining operations at the mines. The formal process of submitting the Gubong application began this week. The Gubong tenements were successfully transferred to the Joint Venture company with Southern Gold on 18th January.

The report on feasibility at the Kochang mine will be completed and submitted to Southern Gold this week, which fulfils the farm-in agreement obligations. The tenements for the Kochang mine are expected to be transferred to the Joint Venture company soon. The application for the permit to develop will then be made which will allow mining operations to commence.

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

The Kochang mine is a gold-silver mine that operated between 1928 and 1975 and produced over five million ounces of silver at over 1000 g/t and 110,000 ounces of gold at 19.6 g/t. Today the mine consists of three steeply dipping veins. BMV has opened up three kilometres of original development, taken over 400 samples and has confirmed process viability by carrying out initial metallurgical test work.

Work on opening up both mines for production will commence immediately after the permits have been received. At Gubong the work will consist of a small dewatering programme, followed by refreshment of the access where necessary and further sampling and ore delineation. Similar work will commence at Kochang with the addition of a drilling programme to determine the position of the extensions of the previously mined vein structures.

The Company has previously announced the grades attained by sampling and the metallurgical results from both Kochang and Gubong. Having reviewed these results, the use of a single processing facility is currently being assessed. The design of the plant and the placing of the facility is expected to be determined by the end of June. The potential

savings derived from a single plant are:

- Reduction in capital expenditure
- Reduction in working capital
- Less labour
- Smaller security requirement
- A single tailings facility

The company expects that construction of the plant will commence in the third quarter with commissioning occurring in the last quarter. The company is in discussions regarding debt financing for the construction phase. This is expected to result in gold production at the end of the year with positive cash flow in 2020.

Colin Patterson, CEO, commented:

"It is hugely exciting that the Company is progressing towards gold production at Kochang and Gubong. We expect to have received the 'permits to develop' by the end of Q1, which will allow us to carry out all mining operations at both mines. Being able to move both projects forward simultaneously is beneficial as it has opened up the possibility of using a single processing facility, reducing the cost of labour, security and capital expenditure."

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

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