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Bluebird Merchant Ventures Limited
06 February 2019

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Bluebird Merchant Ventures Ltd

(the "Company" or "Bluebird")

Bluebird Progress Update

Bluebird Merchant Ventures (EPIC: BMV), the Asian focused resource development group, is pleased to announce the application for a grant for an assisted drilling programme at Kochang from KORES, the submission of the report on the feasibility of re-opening the mine to Southern Gold and the application for the permit to develop Gubong from the South Korean Government.

Highlights:

- **Kochang project joint venture company applies for grant for assisted drilling programme**
- **Application made at the invitation of government-owned company**
- **Expect to hear by end of February if application is successful**
- **Report on feasibility of reopening Kochang submitted**
- **Application for permit to develop Gubong made**

Kochang grant application made to KORES

The Korean Resources Corporation ("KORES"), a company wholly owned by the South Korean government, has invited Bluebird's Kochang project joint venture company, Kochang Project Company ("KPC"), to apply for a government grant for an assisted drilling programme.

The application for the grant was submitted on 30 January 2019 and the Company expects to hear by the end of February if it has been successful. As part of the application, Bluebird has supplied its intended drilling programme to KORES. The drilling programme will seek to identify the position of the three veins in a major unmined corridor of the deposit.

The proposed resource definition diamond drilling programme at Kochang focuses on the adjacent to the initial planned production area. It will further delineate the three main veins (and any subsidiary veins) above and below the recently accessed workings. It will help confirm the modelled vein structures and grades derived from surface and underground work previously undertaken, with the objective of building a resource model for future planning, development and mining.

Should the application be successful, KORES will fund 70 per cent of the costs of Bluebird's agreed drilling programme. The purpose of the assisted drilling programme is to support mining activity. The success criteria of the scheme is that the supported programmes result in operating mines.

KORES partially funded two drill programmes in the area around Kochang during 2016 and last year carried out a technical survey. It is understood that the findings of the report led KORES to upgrade their expectations of the Kochang mine. KPC has received a copy of this report and is currently translating and reviewing its content.

Gubong 'permit to develop' application made to government

Meanwhile, the application for a 'permit to develop' the Gubong mine was made on 23 January to the government. The forty-day process is now in the public domain, after which the Company expects to receive feedback on the application.

Feasibility of Reopening Report Submitted

In addition, the report on the feasibility of reopening the Kochang mine was submitted to our partner, Southern Gold, which completes the farm in requirements. The Kochang tenements will shortly be transferred to the joint venture company.

Colin Patterson, CEO, commented:

"We are now entering the exciting stage of our Company's short journey to commercial production. It is encouraging that the South Korean government are seemingly keen to help us move forward through their invitation for us to apply for a grant. While there is no guarantee that it will eventuate, we believe that this is a very positive signal for the future of government support for the local mining industry and Kochang. We are very fortunate to be operating in a jurisdiction where the government is proactive in stimulating its mining industry."

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

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Notes to Editors

The Kochang mine operated between the period 1928 and 1975. This gold production was mainly derived from the three main veins at the North East end of the "Gold Mine" part of Kochang, with the majority of the silver production from the "Silver Mine" some 2.5 kilometres to the south west. The mine closed in 1975 when the gold price was USD 140 per ounce.

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