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Bluebird Merchant Ventures Limited
27 March 2019

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**Bluebird Merchant Ventures Ltd**

**(the "Company" or "Bluebird")**

## Upcoming Metallurgical Test Work to Confirm Gold Production Process

Bluebird Merchant Ventures (EPIC: BMV), the Asian focused resource development group, is pleased to announce that during the month of April further metallurgical test work will be undertaken which will confirm the gold production process.

**Highlights:**

- **Gold recovery process to be known by the end of April**
- **Preparations to commence at Kochang for the underground drilling campaign**
- **Permitting and KORES Grant updates**

### Metallurgical Test Work

Metallurgical test work is scientific work undertaken to determine the most efficient and economic means to recovery gold from ores. A key component to the financial success of any mine before and during the production phase is ongoing metallurgical test work.

The Company expects to know, by the end of April, what the most appropriate process will be to recover the gold from Kochang ore. This information factors into the economics of production. The work will be conducted under the direction and guidance of Bluebird's Metallurgical Manager, Peter Wallwin, who has over 40 years' experience in project development. The results from the samples evaluated thus far indicate that the ore is not problematic and does not require complicated or expensive extraction techniques which will allow the company to consider low cost options for the design and construction of its process plant. Bluebird is also in the process of identifying and evaluating suitable locations for a processing plant.

### Kochang Underground Drilling Campaign

Preparations are also underway at Kochang for the underground drilling programme. Prior to being able to commence drilling, the entrance to the Kochang mine will undergo refurbishment that will enable the drill programme to proceed safely. This work is expected to commence during the second week of April and take approximately eight weeks. The purpose of the underground drill program is to identify structure and the continuation of the three veins below the existing floor of the Kochang mine which is 150 metres below surface. The deposit is open along strike and to depth.

On 20 November 2018 the Company announced that the total estimate of the mineral potential at Kochang was between 550,000 and 700,000 tonnes, with a range of grades between 5.2 g/t to 6.6 g/t Au, and 27.3 g/t to 34.8 g/t Ag. The mineral potential was based on just a small part of the mine. This was further validated by South Korean government owned company, Korea Resources Corporation (KORES) who derived similar results from their work at Kochang in 2018.

The Bluebird team have experience in all areas of mining operations and as such the cost of advancing the projects in South Korea are significantly less than having to use external engineering companies and contractors.

### Permitting and KORES Update

The Company continues to wait for news with regards to the outcome of the application for the assisted drilling programme from KORES. The Kochang Joint Venture Company was invited to apply for the grant. All indications thus far suggest a positive response will be forthcoming within the next couple of weeks.

Furthermore, the Company continues to await feedback from the application for the 'permit to develop' which will allow the reopening of the Gubong Mine which was made on 23 January 2019. This is expected at any time within the next couple of weeks. The authority that grants approval of the application is the Provincial Government under the authority of the Ministry of Trade, Industry and Energy (MOTIE). The application that will enable the Kochang mine to be reopened was made on 8 March 2019 with initial feedback expected in May.

The Company will update the market in due course as further progress is made in South Korea.

**Colin Patterson, CEO, commented:**

*"We continue to advance in South Korea and the ongoing support of the South Korean government is most encouraging. We have a heavy work programme ahead where the team will be busy on the ground. As such I am expecting that there will be plenty of upcoming news for the market as we advance towards production. "*

**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 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. 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. 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.

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