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Bluebird Merchant Ventures Limited
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Bluebird Merchant Ventures Ltd

(the "Company" or "Bluebird")

Operational and Permitting Update

Bluebird Merchant Ventures (EPIC: BMV), the Korean focused gold development group, is pleased to announce an operational and permitting update.

On 13 June 2019 the Company published a Prospectus, which included an expected timetable (end of June 2019), with regards to the permits being granted for the Gubong and Kochang projects. When the permits are granted it will enable both mines to be re-opened and for gold production to commence.

The next stage of the process for the Gubong permit application is an administrative panel at central government level, which will to consider the application. This is a one day process, currently scheduled to take place in August 2019.

The Kochang permit application is still being assessed. The delay is due to a change in the Counter Measure Against Natural Disasters Act, which had a section pertaining to mining which potentially allowed for multiple interpretations. The Company has since lobbied the Ministry Interior and Safety for an official favourable interpretation to be given. The lobbying was supported by the Ministry of Trade, Industry and Energy (MOTIE), Korea Resource Corporation (KORES) and Korea Institute of Geoscience and Mineral Resources (KIGAM) as well as related law reform think tanks.

This action was successful and the proclamation is in the process of being distributed to all government departments. MOTIE has also informed the Province regarding the change of interpretation ahead of the distribution of the proclamation. This reflects the importance of Bluebird's South Korean projects for the revival of the mining industry. The elevation of the permitting process to central government level is on the basis that the projects are considered to be of 'national interest'.

Furthermore, in the recently published Prospectus, the Company was required to give a Working Capital Statement to address various potential outcomes over the subsequent twelve months. The key outcomes were, that if the permits were not granted by the end of June that the Company would need to raise up to USD 350,000 to cover a period of twelve months whilst awaiting permits to be granted. This funding is not required to be available in full initially and could be spread over the period.

Management have consistently been the largest investor to date in Bluebird. As such, the Company expects to put in place sufficient debt funding provided by management, alongside several significant shareholders, in order to bridge the gap until permits are issued. The Company expects to update the market shortly.

In addition, the Company has agreed with KORES to push back the timetable of the grant that was given to the Company (as announced on 9 May 2019) to a later date, to be determined once the permits have been granted.

Bluebird are applying for 62,385,235 shares to be retroactively admitted to trading on the London Stock Exchange. The shares had been issued by the registrar, but the separate process to admit the shares to the Official List and to the London Stock Exchange was not previously completed. The admittance is expected to happen around 11 July 2019. These 62,385,235 shares are counted for from the IPO date (April 2016) until immediately prior to the recent issuance of shares. No new shares are being issued and there will be no changes to the issued share capital.

Colin Patterson, Chief Executive Officer, commented:

"I am pleased the authorities in South Korea continue to be supportive of reviving the mining industry and that our projects are central to that objective. Permitting is always the key milestone in seeking to progress a project beyond the exploration phase to the stage of gold production. The process we have experienced thus far has been so much faster than I have ever seen in four decades in the mining industry. It is also encouraging that the authorities are looking to ensure that the various laws that govern mining are clear for all. To my knowledge, our permit applications when successful will be the first permits to re-open a gold mine in two decades. As such, Bluebird is really a trailblazer in reinvigorating the mining industry. With said confidence management continues to be happy to support the project."

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. Bluebird 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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