



BLUEBIRD MERCHANT VENTURES LIMITED

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2022
(UNAUDITED)**

CHAIRMAN'S STATEMENT

We have an excellent high value asset base, and our strategy remains to advance Bluebird Merchant Ventures Ltd into a gold producing entity. As a Board we have weathered the delays caused by Covid and returned to focussing our efforts on bringing our historic high grade Kochang Gold and Silver Mine ('Kochang') and Gubong Gold Mine ('Gubong') in South Korea back into production and advancing/monetising the highly prospective Batangas Gold Project ('Batangas') in Philippines.

Kochang and Gubong are extremely exciting. Closed in the 1970's when the gold price was under US\$100/oz, both mines fit our model, being low CAPEX, high grade opportunities where we believe production can be recommenced quickly, and existing resources can be expanded to facilitate long term, high value returns. Through the extensive analysis of historic data from previous owners, South Korean governmental and non-governmental entities, as well as our own work, management believes there is potential to produce more than 1m oz of gold not including depth extension at Gubong alone. With recoverable resources and an uncomplicated processing route, we already have in place defined development paths to production, and we maintain our target of having two producing mines with c.60K oz Au p.a. in the medium term, with potential to increase to 100K oz Au on the back of further feasibility studies.

After two years of Covid restrictions, which halted all on-ground activity, we have been able to return to South Korea and recommence our plans to execute our initial target of bringing the Kochang project into production at an initial c.5K oz Au, once proof of concept has been achieved. With a number of trips completed following a resumption of international travel, meetings have been held by the team and advisors with government departments and in-country advisors, which have been greatly abetted following Sung Kwan (Daniel) Sun's appointment to the Board of Directors of the South Korean subsidiary companies. He has brought significant knowledge and understanding of the local business environment and the development steps needed to ensure that all permits and licences are up to date following the Covid related lockdown.

In order to build a production plant, we need to obtain a Temporary Mountain Use Permit. The application process is on-going and the management team, in tandem with its local representatives and counsel, are confident that this will be obtained in due course. Although the process is significantly faster than most jurisdictions in the world, it is bureaucratic and lengthy. Our confidence in this being granted is highlighted by the fact that we continue to optimise the workflows and are currently selecting the equipment to start the site works in anticipation of commencement of proving the mining concept.

Aside from Kochang, we also remain committed to developing Gubong, the more substantial of our South Korean opportunities. Once the country's second largest producing mine, the original resource estimate by the Korea Resources Corporation (KORES) was 2.34mt @ 7.34 g/t. This figure does not include the areas which have become payable in the current gold price environment or the depth extension to the mine. Accordingly, we now estimate the overall potential of the mine to be 1.5m oz Au and with an estimated 1m oz Au in the existing mine area alone. Gubong, like Kochang, is permitted, and we will continue with our desk top studies to optimise the development path to ensure we maximise the uplift potential for our investors. The sheer volume of data, the range of studies

completed, be it metallurgical or geophysical, the modelled extent of the ore body, underpin that this is a low-risk high impact project which has the potential to completely transform our business.

As investors will be aware, the political winds in the Philippines have changed positively with regards to mining, with the sector and project development now definitely back on the agenda. With this in mind, our Batangas project, which having been put under care and maintenance even before the Covid pandemic and written off in the Group's 31 December 2019 financial statements, is back in play.

The 1,160-hectare licence has multiple targets and an established resource of 440k oz Au. The plan is to prioritise the Lobo project area which has a current 36K oz Au Reserve and an Indicated resource of 82K oz Au primarily in the South West Breccia high grade zone. The area is highly perspective. There is immediate exploration upside for further high-grade gold discoveries, based on defined targets with high-grade surface trench intersections: eg, 8.35m @ 18.4 g/t Au, 2.6m @ 28.6 g/t Au and 3m @ 22.2 g/t Au. Furthermore, there are five key targets identified within 15km strike on five parallel epithermal lode structures. It is both the initial reserve and quantified prospectively of the area that is attracting local partner interest which has led to negotiations being undertaken on how best to advance this asset, which I would like to reemphasise there is no attributable value in our books and also had over US\$20m on exploration invested into it.

Our strategy remains sound and our focus is now on re-energizing our efforts post Covid and developing our gold portfolio, both in South Korea and the Philippines. Both countries have a gold mining history, and we have in country teams in place to assist with the development process. As a Board, we have invested both time and money in the Company and we believe we have the right strategy to create shareholder value.

Finally, I'd like to thank all the management team for their hard work and shareholders for their continued support as we look to advancing our portfolio, keeping the market updated on developments and building a substantial gold producing company.

Jonathan Morley-Kirk
Chairman
29 September 2022

DIRECTORS' REPORT

The Directors present their report together with the unaudited financial statements of the Group for the half-year ended 30 June 2022.

The Group

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

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

Gubong JV Project Co Private Limited and Kochang JV Project Co Private Limited JV companies are subsidiaries of the Company and 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 2022 show a loss before taxation of USD 853,955 (30 June 2021 showed a profit of USD 7,964,787).

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.

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2022 (Unaudited)

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 2022 the issued share capital of the Company stood at 638,115,042 shares.

This Directors' Report was approved by the Board of Directors on 29 September 2022 and is signed on its behalf.

By Order of the Board

Jonathan Morley-Kirk
Chairman
29 September 2022

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2022 (Unaudited)

FINANCIAL STATEMENTS

Consolidated Income Statement

For the half-year ended 30 June 2022

	Note	30 Jun 2022 (USD) (Unaudited)	30 Jun 2021 (USD) (Unaudited)
Revenue		-	-
Cost of Sales		-	-
Gross profit/(loss)		-	-
Administrative expenses		(648,820)	(194,232)
Farm-in costs		-	(47,744)
Operating loss		(648,820)	(241,976)
Gain on acquisition of joint ventures	10	-	8,301,087
Share of loss of joint ventures		-	(36,418)
Exchange loss		(14,689)	(2,790)
Finance expense	7	(190,446)	(55,116)
(Loss)/profit before taxation		(853,955)	7,964,787
Income tax expense		-	-
(Loss)/profit for the period		(853,955)	7,964,787
Attributable to:			
Equity shareholders to the parent company		(853,955)	7,964,787
Earnings per share:			
Basic earnings per share (USD cents per share)	8.3	(0.001)	0.020
Diluted earnings per share (USD cents per share)	8.3	(0.001)	0.020

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

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2022 (Unaudited)

Consolidated Statement of Comprehensive Income

For the half-year ended 30 June 2022

	30 Jun 2022	30 Jun 2021
	(USD)	(USD)
	(Unaudited)	(Unaudited)
(Loss)/profit for the period	(853,955)	7,964,787
Exchange difference on translating foreign companies*	417	(93,284)
Total comprehensive income for the period	(853,538)	7,871,503

* May be reclassified to profit or loss

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

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2022 (Unaudited)

Consolidated Statement of Financial Position

At 30 June 2022

	Note	30 Jun 2022 (USD) (Unaudited)	30 Jun 2021 (USD) (Unaudited)
Non-current assets			
Mines under development	10	19,816,088	19,920,491
		19,816,088	19,920,491
Current assets			
Trade and other receivables	6	7,568	19,257
Cash and cash equivalents		118,207	62,615
		125,775	81,872
Current liabilities			
Trade and other payables	2	(319,074)	(196,965)
Other financial liabilities	2	(859,146)	(353,300)
Derivative financial liabilities	5	(476,334)	(258,005)
		(1,654,554)	(808,270)
Net Assets		18,287,309	19,194,093
Equity			
Issued share capital	8.1	19,974,242	11,849,479
Unissued share capital	8.2	31,836	7,770,081
Reserves	9	1,337,379	1,342,927
Retained earnings		(3,056,148)	(1,768,394)
Total Equity		18,287,309	19,194,093

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

Jonathan Morley-Kirk

Chairman

29 September 2022

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2022 (Unaudited)

Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2022

	Share Capital (USD)	Unissued Share Capital (USD)	Retained Earnings (USD)	Reserves (USD)	Total Equity (USD)
At 31 Dec 2020	8,670,780	793,675	(9,733,181)	1,436,211	1,167,485
Profit/(loss) for the period	-	-	7,964,787	-	7,964,787
Other comprehensive (loss)/profit	-	-	-	(93,284)	(93,284)
Total comprehensive profit/(loss)	-	-	7,964,787	(93,284)	7,871,503
Shares issued/to be issued	3,178,699	6,976,406	-	-	10,155,105
Total transaction with owners	3,178,699	6,976,406	7,964,787	(93,284)	18,026,608
At 30 Jun 2021	11,849,479	7,770,081	(1,768,394)	1,342,927	19,194,093
(Loss)/profit for the period	-	-	(433,799)	-	(433,799)
Other comprehensive (loss)/profit	-	-	-	(5,965)	(5,965)
Total comprehensive (loss)/profit	-	-	(433,799)	(5,965)	(439,764)
Shares issued/to be issued	7,734,565	(7,735,560)	-	-	(995)
Total transaction with owners	7,734,565	(7,735,560)	(433,799)	(5,965)	(440,759)
At 31 Dec 2021	19,584,044	34,521	(2,202,193)	1,336,962	18,753,334
(Loss)/profit for the period	-	-	(853,955)	-	(853,955)
Other comprehensive profit/(loss)	-	-	-	417	417
Total comprehensive (loss)/profit	-	-	(853,955)	417	(853,538)
Shares issued/to be issued	390,198	(2,685)	-	-	387,513
Total transaction with owners	390,198	(2,685)	(853,955)	417	(466,025)
At 30 Jun 2022	19,974,242	31,836	(3,056,148)	1,337,379	18,287,309

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

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2022 (Unaudited)

Consolidated Cash Flow Statement

For the half-year ended 30 June 2022

	30 Jun 2022	30 Jun 2021
	(USD)	(USD)
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash paid to suppliers and employees	(221,615)	(85,221)
Net cash from operating activities	(221,615)	(85,221)
Cash flows from investing activities		
Loans to joint ventures	-	(101,600)
Net cash used investing activities	-	(101,600)
Cash flows from financing activities		
Net proceeds from equity issued	43,154	-
Proceeds from loans	130,000	176,600
Net cash used financing activities	173,154	176,600
Net decrease in cash	(48,461)	(10,221)
Cash and cash equivalents at the start of the period	166,668	72,836
Cash and cash equivalents at the end of the period	118,207	62,615

There have been non-cash transactions relating to the settlement of operating and financial liabilities in the period (refer notes 5 and 8 of the unaudited financial statements).

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 2022

1. Accounting Policies

The financial statements are in compliance with the DTR rules and the accounting policies are consistent with the previous financial year and corresponding interim reporting period.

2. Going Concern

In common with many junior mining companies, the Group raises equity funds for its activities in share placements. When necessary it also raises loan funding from related and third parties.

At the period end the Group had net current liabilities of USD 699,145, exclusive of USD 476,334 of warrants which are to be settled in shares and USD 353,300 of debt which is to be repaid from production.

Based on financial projections prepared by the Directors, the Group's current cash resources are insufficient to enable the Group to meet its recurring outgoings for the next twelve months. The Directors have a reasonable expectation that the Group will continue to be able to meet its commitments for the foreseeable future and will raise funds when required from either the debt or equity capital markets.

Whilst the uncertainty caused by COVID-19 has diminished, concern over the continued impacts of the war in Ukraine is creating volatility in capital markets and will make raising additional funds from any source significantly more challenging, however, the Directors remain confident that this is achievable.

Based on their assessment of the above, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements. Should the Group not be able to raise necessary funds to cover the recurring and projected expenditure, including development of the Group's key assets it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2022 (Unaudited)

3. Segmental Reporting

3.1 For the half-year ended 30 June 2022

Income Statement	BVI	Philippines	South Korea	Total
	(USD)	(USD)	(USD)	(USD)
For the half-year ended 30 June 2022	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Administrative costs	(577,443)	(2,594)	(68,783)	(648,820)
Exchange losses	(14,689)	-	-	(14,689)
Finance costs	(190,446)	-	-	(190,446)
Loss for the period	(782,578)	(2,594)	(68,783)	(853,955)
Other comprehensive income	417	-	-	417
Total comprehensive income for the period	(782,161)	(2,594)	(68,783)	(853,538)

Statement of Financial Position	BVI	Philippines	South Korea	Total
	(USD)	(USD)	(USD)	(USD)
At 30 June 2022	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Non-current assets	-	-	19,816,088	19,816,088
Trade and other receivables	3,972	-	3,596	7,568
Cash and cash equivalents	104,893	8,631	4,683	118,207
Total assets	108,865	8,631	19,824,367	19,941,863
Current liabilities	(228,548)	(90,526)	-	(319,074)
Other financial liabilities	(859,146)	-	-	(859,146)
Derivative financial liabilities	(476,334)	-	-	(476,334)
Net assets	(1,455,163)	(81,895)	19,824,367	18,287,309

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2022 (Unaudited)

3.2 For the half-year ended 30 June 2021

Income Statement	BVI (USD)	Philippines (USD)	South Korea (USD)	Total (USD)
For the half-year ended 30 June 2021	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Administrative costs	(192,861)	(1,371)	-	(194,232)
Farm-in costs	-	-	(47,744)	(47,744)
Gain on acquisition of joint ventures	-	-	8,301,087	8,301,087
Share of loss from joint ventures	-	-	(36,418)	(36,418)
Exchange losses	(2,790)	-	-	(2,790)
Finance costs	(55,116)	-	-	(55,116)
(Loss)/Profit for the period	(250,767)	(1,371)	8,216,925	7,964,787
Other comprehensive income	-	(10,588)	(82,696)	(93,284)
Total comprehensive income for the period	(250,767)	(11,959)	8,134,229	7,871,503

Statement of Financial Position	BVI (USD)	Philippines (USD)	South Korea (USD)	Total (USD)
At 30 June 2021	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Non-current assets	-	-	19,920,491	19,920,491
Trade and other receivables	3,030	-	16,227	19,257
Cash and cash equivalents	10,148	6,039	46,428	62,615
Total assets	13,178	6,039	19,983,146	20,002,363
Current liabilities	(116,395)	(80,570)	-	(196,965)
Other financial liabilities	(353,300)	-	-	(353,300)
Derivative financial liabilities	(258,005)	-	-	(258,005)
Net assets	(714,522)	(74,531)	19,983,146	19,194,093

4. Loss for the Period before Tax

	30 Jun 2022 (USD)	30 Jun 2021 (USD)
	(Unaudited)	(Unaudited)
Loss for the Period has been arrived at after charging:		
Directors Remuneration	122,713	100,292
Staff Costs	50,369	46,057

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2022 (Unaudited)

5. Derivative Financial Liabilities

5.1 Derivative Financial Liabilities

	30 Jun 2022 (USD) (Unaudited)	30 Jun 2021 (USD) (Unaudited)
Derivative financial liabilities – warrants	476,334	258,005
Total	476,334	258,005

5.2 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 40,502,840 warrants in issuance at 30 June 2022:

	Weighted Average Exercise Award					
	1.30p	2.50p	3.50p	3.962p	4.00p	5.75p
Outstanding at 30 Jun 2020	11,538,462	-	2,325,000	-	9,951,920	5,757,924
Lapsed	-	-	(2,325,000)	-	(9,951,920)	-
Exercised	(8,846,155)	-	-	-	-	-
Outstanding at 30 Jun 2021	2,692,307	-	-	-	-	5,757,924
Issued in 2021/22	-	25,280,000	-	9,464,916	-	-
Lapsed	-	-	-	-	-	-
Re-issued	-	9,464,916	-	(9,464,916)	-	-
Exercised	(2,692,307)	-	-	-	-	-
Outstanding at 30 Jun 2022	-	34,744,916	-	-	-	5,757,924

At 30 June 2022, these warrants were fair valued at USD 476,334, using a Black-Scholes model, based on the following parameters – a risk free rate of 1.30%, a volatility of 87% for those warrants with a life of three years and 93% for those warrants with a life of one year.

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2022 (Unaudited)

5.3 Reconciliation of Liabilities arising from Financing Activities

	Current Other Financial Liabilities (USD) (Unaudited)	Derivative financial instruments (USD) (Unaudited)	Total (USD) (Unaudited)
At 30 June 2021	353,300	258,005	611,305
Cash Flows	373,856	-	373,856
Non-cash flows:			
Loan charges and interest	51,925	-	51,925
Fair Value Changes	-	27,883	27,883
At 31 December 2021	779,081	285,888	1,064,969
Cash Flows	130,000	-	130,000
Non-cash flows:			
Settlement through issue of shares	(84,093)	-	(84,093)
Loan charges and interest	34,158	-	34,158
Fair Value Changes	-	190,446	190,446
At 30 June 2022	859,146	476,334	1,335,480

6. **Trade and Other Receivables**

	30 Jun 2022 (USD) (Unaudited)	30 Jun 2021 (USD) (Unaudited)
Deposits	6,626	19,257
Prepayments	942	-
Total	7,568	19,257

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2022 (Unaudited)

7. Finance Expense

	30 Jun 2022	30 Jun 2021
	(USD)	(USD)
	(Unaudited)	(Unaudited)
Fair value movement	(190,446)	(55,116)
Total	(190,446)	(55,116)

8. Share Capital

8.1 Issued Share Capital

	30 Jun 2022		30 Jun 2021	
	Number	USD	Number	USD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Opening Balance	467,482,119	11,849,479	388,032,022	8,561,524
Issued During the Period (Net of Issue Costs)	170,632,923	8,124,763	79,450,097	3,287,955
Closing Balance	638,115,042	19,974,242	467,482,119	11,849,479

The shares have no par value.

8.2 Unissued Share Capital

	30 Jun 2022		30 Jun 2021	
	Number	USD	Number	USD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salary Sacrifice	714,325	31,836	6,523,090	270,081
Southern Gold Limited	-	-	150,000,000	7,500,000
Total	714,325	31,836	156,523,090	7,770,081

BLUEBIRD MERCHANT VENTURES LIMITED
 Financial Report for the Half-Year Ended 30 June 2022 (Unaudited)

8.3. Earnings Per Share

	30 Jun 2022 (USD) (Unaudited)	30 Jun 2021 (USD) (Unaudited)
Basic earnings per share	(0.001)	0.020
Profit/(loss) used to calculate basic earnings per share	(853,955)	7,964,787
Weighted average number of shares used in calculating basic earnings per share	628,157,969	398,035,377
Diluted earnings per share	(0.001)	0.020
Profit/(loss) used to calculate diluted earnings per share	(853,955)	7,964,787
Weighted average number of shares used in calculating diluted and earnings per share	655,533,612	398,035,377

Basic profit/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 period.

Dilutive profit/loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding, shares to be issued and warrants issued during the period.

9. **Reserves**

	30 Jun 2022 (USD) (Unaudited)	30 Jun 20201(USD) (Unaudited)
Translation Reserve	7,299	12,847
Share Based Payments Reserve	1,330,080	1,330,080
Total	1,337,379	1,342,927

10. Mines Under Development

	30 Jun 2022	30 Jun 2021
	(USD)	(USD)
	(Unaudited)	(Unaudited)
Consideration paid to Southern Gold Limited	10,000,000	2,500,000
Consideration to be paid to Southern Gold Limited	-	7,500,000
Company's 50% Joint Venture Interest	10,000,000	10,000,000
Total consideration	20,000,000	20,000,000
Less fair value of net assets:		
Non-current assets	(2,535,532)	(2,535,532)
Current assets	(64,302)	(64,302)
Current liabilities	-	-
Fair value uplift to mines under development on acquisition	17,400,166	17,400,166
Mines under development before acquisition of joint ventures	2,415,922	2,520,325
Mines under development at year end	19,816,088	19,920,491

The mines under development asset fair value uplift arose from the execution of an agreement the Company announced on 29 June 2021 to increase the Group's ownership to 100% in the Gubong and Geochang gold mines via the acquisition of Southern Gold Limited's 50% Joint Venture Interest in the South Korean gold projects.

The total consideration was paid to Southern Gold Limited by the issuance of 200 million BMV shares at GBP 3.6p per share (USD 5.0 cents). The Company issued 50 million shares to Southern Gold Limited in June 2021 and the 150 million shares balance in December 2021, at a consideration of USD 2.5 million and USD 7.5 million respectively.

A change in accounting policy for the 31 December 2021 annual report has resulted in the amounts previously included within tenements in the interim financial statements for the half-year ended 30 June 2021 being reclassified and included within mines under development. There have been no additions to mines under development in the half-year ended 30 June 2022.