



Bluebird Merchant Ventures Limited

**Annual Financial Report
2023**

GROUP INFORMATION

Directors	Jonathan Morley-Kirk Clive Sinclair-Poulton Charles Barclay Aidan Bishop Colin Patterson	Non-Executive Chairman Non-Executive Director Executive Director Executive Director Executive Director
Registered Office	Harney Westwood & Riegels Craigmuir Chambers PO Box 71, Road Town Tortola VG1110 British Virgin Islands	
Auditor	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD UK	
Lawyers	Legal Insight LLC 401, Nonhyeon-dong, M building 612 Nonhyeon-ro Gangnam-gu, Seoul South Korea	
Registrars	Computershare Investor Services (BVI) Limited Woodbourne Hall, Road Town Tortola British Virgin Islands	
Depository	Computershare Investor Services PLC The Pavilions, Bridgwater Road Bristol BS13 8AE UK	

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1. CHAIRMAN'S REPORT

The asset base of Bluebird Merchant Ventures remains exciting. Our focus continues to be on advancing the development of our high-grade precious metal projects, which consists of the Kochang Gold and Silver Mine (**Kochang**) and Gubong Gold Mine (**Gubong**) in South Korea, and the Batangas Gold Project (**Batangas**) in the Philippines. We believe that you rarely find investment exposure to c.1.5+ million oz Au in stable jurisdictions and at the current valuation (refer Chief Executive's Comment for detail).

Our objective of creating long term value for shareholders by bringing our projects into production remains the core proposition of the Board, and to this end, we have focussed on a number of key areas to deliver this. Shareholders will be aware there has been some progress, particularly in the Philippines, but also frustrations as we negotiate the path to advance our two South Korean projects, in particular the well documented applications for the Mountain Temporary Use Permits (**MTUP**).

Our experiences in the Philippines have meant that we have revaluated the way in which we operate. For Batangas, a Joint Venture was secured with a local partner with decades of experience in mining to advance the project to a production decision. This agreement is based on the JV partner achieving defined development goals in return for equity and provides us with a free carry to production decision. Exploration expenditure to the tune of c.USD 20 million has been invested to date and both parties recognise the inherent value of the project. Section 4.3 of the Strategic Report provides an outline of the 2019 write down to USD nil and the Board's decision not to reverse this impairment to the investment in associate in the current period.

The JV model has already reaped dividends as highlighted by the receiving of the Certificate of Approval from the Mines and Geosciences Bureau for a Two-Year Community Development Plan. A drilling contractor has been engaged and programme planned, although the JV partner has now reprioritised this work with the completion of an Environmental Impact Study (**EIS**) being the most important task to complete. Accordingly post year end, a Philippine based consultant was appointed to conduct the work, which has now commenced.

Our progress in the Philippines, compared to the permitting delays in South Korea, where we are still waiting for a decision from the Board of Audit and Inspection for Kochang re the MTUP, prompted us to rethink our strategy to identify the best development path for Gubong. Accordingly, we have been working with an established South Korean entity, which better understands the local, district and national geo-political environment to ensure all stakeholders are happy with our development plans before we resubmit the MTUP. With a positive working relationship and the recognition of the scale of the mining potential at Gubong, both parties are keen to formalise an agreement for the development of a mine. It is envisaged that the JV model signed in the Philippines will be the basis of an agreement in South Korea – ie, the JV partner will supply capital for the delivery of development goals in return for equity, giving Bluebird a free carry. These negotiations are progressing well and if an agreement is signed, we will look at a similar structure for Kochang.

With an optimal structure in place, we believe we can develop the assets and drive value for shareholders. I would like to thank you for your patience but can assure you we have been doing all we can to make progress. The in-ground value of the portfolio remains constant and something we

remain focussed on realising. The Board believes the sum of the parts are not reflected in the share price, despite the delays we have experienced in South Korea.

The value of Gubong and Kochang were highlighted in the publication of a Scoping Study, which included a post-tax NPV of USD 181 million, free cash of USD 50 million per annum, an IRR of 111% and a USD 630 per oz All in Sustaining Cost (AISC), giving us a huge amount of confidence in the economic potential our projects. With regards to Batangas, the value of the Lobo project area with 82,000 oz Au Inferred on just one of nine targets and 14km of strike essentially translates into no attributable value.

On a macro scale, the gold price environment is also positive, with many commentators highlighting that ever-increasing government debt is underpinning the long-term fundamentals for gold as an asset class. Worth noting is that the current gold price of c.USD 2,100 per oz is a significant premium to our scoping study, which was conducted on a USD 1,750 per oz gold price.

Corporate

The Directors continue to only draw down minimal fees to preserve cash and now own a cumulative 166,176,351 shares in the Company (23.3%). As mentioned, we have farmed out Batangas giving us a free carry to a production decision, and we are looking to do the same in South Korea to reduce our corporate overhead.

Early in the year, we raised GBP 1.2 million via a placing and subscription for 60,750,000 new Ordinary Shares at 2 GB pence per share brokered by SI Capital. While the funds were raised to fully fund proof-of-concept production at Kochang, following the delays in obtaining the necessary mining permit to move towards production we took the decision to pay down our existing loans to become debt free.

Conclusion

We look forward to replicating the approach undertaken in the Philippines to advance our South Korean projects with limited capital outlay in tandem with local partners who better understand the on-ground environment and can foster positive relationships at all levels. With an estimated 1.5 million oz Au, extensive data from established institutions, and extraction permits in place, these projects remain highly prospective. We are confident that once we overcome the current obstacles, we can accelerate swiftly the projects' path to development and begin to enjoy the fruits of our efforts.

Jonathan Morley-Kirk

Chairman

29 April 2024

2. CHIEF EXECUTIVE'S COMMENT

With the general operations and corporate issues covered in the Chairman's report, including the delays in the progression of our South Korean projects, I want to take this opportunity to remind shareholders why we are here, provide an update on each asset and outline what we are trying to achieve.

The original listing asset was Batangas, but its development was put on hold due to a change in Government in the Philippines with the investment in the project being written down to USD nil in 2019. As a result, we identified other projects, Gubong and Kochang in South Korea, with significant potential that could benefit from our years of experience in bringing gold mines back into production and generate high returns for investors.

Gubong remains a company maker. It was historically the second largest gold mine in South Korea and the Korea Resources Corporation estimated 2.34 million tonnes at some 6 g/t Au garnered from 57 drill holes over 17,715 metres. It is an orogenic deposit, which typically have a depth of 2km compared to the current depth of 500m. We believe it has a potential resource of +1 million oz Au in-situ, plus an estimated additional 300,000 oz Au from satellite ore bodies. Having completed extensive analysis of the historic data, we aim to bring this project into production with a medium-term target of 60,000 oz Au per annum rising to 100,000 oz Au. Being high grade and low cost, an estimated sub USD 700 AISC, the margins are attractive.

Kochang, the smaller of the two projects, has a current non JORC estimate of between 550,000 and 700,000 tonnes, with a range of grades between 5.2 g/t to 6.6 g/t gold, and 27.3 g/t to 34.8 g/t silver. This hydrothermal deposit shows very high grades over a strike length of approximately 2.5km. With an initial 116,000 oz Au already defined and given an expected ultimate production level of 60,000 tonnes per annum, a mine life of 10 years is estimated with an initial annual yield c.10,000 oz per annum. With the grant of the MTUP, we believe that this can be fast-tracked to production and early cashflow, which would fund future development and contribute to developing Gubong. However, as the Chairman has already iterated, the grant of permits is held up with the relevant authorities as it has been throughout the reporting period. We still expect a positive resolution but feel a resolution may be accelerated with a local partner in place; accordingly, we are in discussions with a potential partner in this regard.

Bearing in mind the situation in South Korea, our portfolio approach is beginning to pay dividends as we advance Batangas in tandem with our JV partner. Under the terms of the agreement, an initial 25% of the project was granted to Alpha-Diggers Inc (**Alpha**), a newly formed special purpose vehicle established to manage the advancement of Batangas to construction. Alpha is charged with completing exploration and environmental work programmes targeting the high-grade Lobo area of the project, which includes additional drilling to increase the resource and a redesign of the mine plan for underground mining. The Bluebird team is actively working with its partners providing input and execution advice on the relevant development paths. On completion of this and the submission of the Declaration of Mining Project Feasibility (**DMPF**) application, Alpha will receive a further 15% in the Project, raising its holding to 40%. The DMPF and an Environmental Compliance Certificate (**ECC**) are the last major prerequisites for developing a gold mine at Batangas and on approval and granting, Alpha will receive a further 20% of Batangas, raising its holding to 60%.

The entire Batangas project area has a total JORC compliant resource of 440,000 ounces, including a maiden ore reserve of 128,000 ounces (including silver credits). The high-grade Lobo area is now the focus due to its abundance of data, high prospectivity and two 25-year Mineral Production Sharing Agreements.

Lobo has an initial Probable JORC Compliant Ore Reserves of 171,000 tons at 6.6 g/t for 36,000 ounces of gold excluding silver credits based primarily on the South West Breccia (**SWB**) area of the licences, which can be mined in the first 18 months of any operation. There is an Indicated resource of 82,000 oz au that is perceived as easily convertible.

Additionally, Lobo has multiple epithermal and high-grade targets already identified for resource expansion with 14km of identified mineralised structures. In particular, testing of the footwall lode at the SWB extension, produced results including 2.1m @14.4g/t Au and 3m @12.1g/t, and West Drift, already has an Indicated and Inferred resource of 350,000t @ 3 g/t Au and high-grade surface trench intersections yielded 8.35m @ 18.4 g/t Au, 2.6m @ 28.6 g/t Au and 3m @ 22.2 g/t Au.

Five key targets identified within 14km strike on five parallel epithermal lode structures include Camo, where major flexure "look-a-like" target to SWB exist; Signal, where exceptionally high grade rock chip samples at surface lead into an area of preserved high silver-copper-gold in silica cap at an analogous position to SWB; Pica the centre of the porphyry system at Lobo where previous high grade epithermal vein intersections above porphyry Cu-Au zone, are open in all directions; and Ulupong where strong soil anomalies and high-grade surface trenching results indicate gold zone exposed for 3km strike of structural corridor.

The EIS study is now underway at Lobo, which, as a key component of the application for the ECC, is considered the priority by our partners. The planned drilling campaign will be completed as the EIS work progresses. The Directors note that as work is on-going and the Company will only seek to either apply for a further two year extension or it will make application for the MPSA to enter the Commercial Operation phase at the end of September 2024, it is prudent not to reverse the impairment previously recognised against the investment in the associate in the year ended 31 December 2023.

Looking ahead, we remain focussed on the advancement of the portfolio. We understand the geological prospectivity of all our projects but are cognisant that we need the right structure to progress. This has been achieved in the Philippines and we believe we are close to achieving this in South Korea, which we anticipate will assist greatly in the unlocking of the inherent value of our projects. We look forward to updating shareholders on our progress as the year advances.

Colin Patterson
Chief Executive Officer
29 April 2024

3. DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2023.

The Company

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

The Company's principal activity is to bring old gold mines back to life by using the management team's global experience in re-opening old mines to unlock hidden value.

The Company's Ordinary Shares were admitted to listing on the London Stock Exchange in 2016, on the Official List pursuant to Chapters 14 of the Listing Rules, which sets out the requirements for the Standard Listing segment of the Main Market of the London Stock Exchange.

The Group

The Group consists of the companies and ownership structure as outlined in note 24 of the audited financial statements.

Results and Dividends

The Company has set out its results in the audited financial statements, and notes, and show a loss of USD 253,524 for the year (year to 31 December 2022 showed a show a loss of USD 1,485,806 for the year).

The Directors do not recommend the payment of a dividend for the year ended 31 December 2023 (2022: Nil).

Future Developments

The Group's future developments are outlined in the Strategic Report section.

Principal Risks and Uncertainties

The Group operates in an uncertain environment and is subject to a number of risk factors. The Directors consider the following risk factors to be of particular relevance to the Group's activities although it should be noted that this list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply.

Detailed Development, Mining and other risks for the South Korean projects are detailed from page 25 of the June 2019 Prospectus (refer [http://www.bluebirdmv.com/wp-content/uploads/bsk-pdf-manager/254922_Project_Olympic - Prospectus FINAL 13-06-2019_14.pdf](http://www.bluebirdmv.com/wp-content/uploads/bsk-pdf-manager/254922_Project_Olympic_-_Prospectus_FINAL_13-06-2019_14.pdf)).

South Korea Projects

Whilst the Company has received mining rights to mine Gubong and Kochang, the Company requires further permits to allow development and mining. MTUPs are required in order to undertake certain work and development in land areas classified as 'mountains'. The Company is undergoing a process with the Board of Audit and Inspection with regards to the MTUP at Kochang. Whilst the Company is expectant that the MTUPs will be granted, there can be no guarantee that they will. Should the MTUPs not be granted then the Company can simply reapply in the same (or a different) area as well as having various legal remedies that it can pursue but the outcome cannot be guaranteed.

Batangas Project

The Company has entered into an agreement with a local Philippine company, with a view to represent the mine with the potential for underground mining and to secure the key permissions necessary to enable production. Whilst there is renewed optimism around mining in the Philippines there can be no guarantee that the permissions will be received. The Company expects that the local partner will be seeking to apply for the key permissions during the first quarter of 2025 after the completion of the current work program which concludes in the fourth quarter of 2024. Should the permissions, which are critical for the project's value to be realised, not be received the Company will review appeal options and legal remedies with its local partner.

Key Personnel

The Company has a small team and the loss of key personnel could negatively impact the Group and cause further delays in progressing the projects. The Company is working with its JV partners to progress the projects and will recruit key personnel to support the process as agreed.

Inflation/High Energy Costs

High energy costs and/or high inflation could impact on future production costs and thus profitability of the South Korean projects and any future projects. The Company will mitigate this risk through continuing to actively monitor cash flows and ensure that only value adding expenditure is incurred.

Gold Price

Mining projects rely on being able to operate where the cost of extraction and processing of ore is less than the gold price. Although the project economics in South Korea and Batangas are expected to achieve significant profit margin any significant fall in the gold price may negatively impact the project. The Company will look to mitigate any potential downside through a review of hedging options once the projects are in production.

Funding Risk

Further funding will be required in the future to advance the projects. Whilst the Directors are confident that partnerships with local partners will be put in place like that in Batangas, to remove the requirement for capital contribution by BMV in the short term, there will still be a need for further funding in the future. Whilst the Directors are confident that further funding will be available when

required, there can be no guarantee of such. The Directors will focus on effective cash flow management to allow the Company to meet on-going commitments until this funding can be secured.

Going Concern

The Directors continue to adopt the going concern basis of accounting in preparing the financial statements but note that the auditors make reference to going concern by way of a material uncertainty over the ability of the Company and the Group to fund the recurring and projected expenditure (refer note 2 of the audited financial statements).

Key Performance Indicators

Completion of Work Program at Batangas

Completion of the work program at Batangas by the local joint venture partner – refer section 4.3 for an outline of progress made to date.

Permitting

Gubong was granted a Mining Right on 02 September 2009 until 01 September 2029 that subject to further permits (including the MTUP) allows for mining to take place. Gubong was granted a 'Permit to Develop' on 7 November 2019 whereby Commercial Operation or a Qualifying Investment must be achieved within three years. At the end of the three-year period the Company is required to demonstrate its compliance to the licence terms. Gubong was granted a one-year extension to this period on 15 March 2023. Subsequently, the Qualifying Investment has been made which will be demonstrated to the relevant authorities on 29 April 2024. It is expected shortly thereafter that a further three-year period will be granted to achieve Commercial Operations or a further Qualifying Investment. The Mining Right can be extended for a further 20-year period upon expiration should either Commercial Operations have begun, or where Qualifying Investments have been made.

Kochang was granted a Mining Right on 02 September 2009 until 01 September 2029 that subject to further permits (including the MTUP) allows for mining to take place. Kochang was granted a 'Permit to Develop' on 06 December 2019 whereby Commercial Operation or a Qualifying Investment must be achieved within three years. At the end of the three-year period the Company must demonstrate to the relevant authorities its compliance to the licence terms over the period. Kochang was granted a one-year extension to this period on 18 April 2023. The Company upon taking advice, will make application for a further one-year extension on 28 May 2024 on the basis that the Board of Audit and Inspection are continuing to review the MTUP application. The Mining Right can be extended for a further 20-year period upon expiration should either Commercial Operations have begun, or Qualifying Investments have been made.

Progressing the MTUP application at Kochang. Whilst this was not achieved in the year ended 31 December 2023, the Directors remain optimistic that the MTUP will ultimately be granted. In the event that the process being undertaken by the Board of Audit and Inspection is not successful then the Company can resort to other legal remedies or it can simply make a fresh application over the same area of land or a new application over a different land area.

Progressing the Gubong project in relation to community acceptance and advancing the permitting process. The Directors confirm that the foundation work has commenced in the year ended 31 December 2023 with a local partner and that this will be further developed in 2024.

Upon being granted a further period to the “Permit to Develop” at Gubong and Kochang, the Company can elect to undertake certain exploration, environmental and feasibility work if it desires which is not dependent upon an MTUP.

Company Directors

	Position	Appointed	Resigned	Audit Committee	Remuneration Committee	Health & Safety Committee
J. Morley-Kirk	Non-Exec. Chairman	Mar-14	-	Chair	Member	Member
C. Sinclair-Poulton	Non-Exec. Director	Sep-15	-	Member	Chair	Member
C. Human	BVI Resident Director	Aug-22	Nov-23	-	-	-
C. Barclay	Executive	Mar-17	-	-	-	-
A. Bishop	Executive	Mar-14	-	-	-	-
C. Patterson	Executive	Sep-15	-	-	-	Chair

Shareholdings and warrants held by Directors and other Persons Discharging Managerial Responsibilities (PDMR) are outlined in notes 20 and 16 respectively of the audited financial statements.

Auditors

The Board appointed PKF Littlejohn LLP as auditors of the Company in August 2020. They have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Internal Control

The Directors acknowledge they are responsible for the Group’s system of internal control and for reviewing the effectiveness of these systems. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of the Group failing to achieve its strategic objectives. It should be recognised that such systems can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has well established procedures which are considered adequate given the size, and stage, of the business.

The Group is at an early stage in its development and directors and senior management are involved directly in approving all significant investment and expenditure decisions across the Group.

Audit Committee

The Audit Committee, which comprises two Non- Executive Directors, Jonathan Morley-Kirk and Clive Sinclair-Poulton, is responsible for ensuring that the financial performance of the Group is properly monitored and reported upon and that any such reports are understood by the Board. The Committee meets formally at least twice each year.

Health, Safety and Environment Committee

The Group is committed to providing a safe, healthy and sustainable environment for all its employees, contractors, visitors and neighbours. The Group strives actively to identify and manage the potential direct and indirect effects of all its activities and reviews this at Board level through its HS&E Committee.

Remuneration Committee

The remuneration of the Executive Directors is fixed by the Remuneration Committee, which comprises two Non-Executive Directors and is chaired by Clive Sinclair-Poulton. The Remuneration Committee is responsible for reviewing and determining the Company policy on executive remuneration and the allocation of long-term incentives to executives and employees. The remuneration of Non-Executive Directors is determined by the Board. In setting remuneration levels, the Group seeks to provide appropriate reward for the skill and time commitment required in order to retain the right caliber of Director at an appropriate cost to the Group.

The remuneration paid to, or receivable by, Directors in respect of 2023 and 2022 in relation to the period of their appointment as Director are:

	Payable in Cash (USD)		Payable in Equity (USD)	
	in the year to 31-Dec-23	in the year to 31-Dec-22	in the year to 31-Dec-23	in the year to 31-Dec-22
Executive Directors				
C. Barclay	9,862	20,790	-	50,666
A. Bishop	85,921	9,344	-	21,822*
C. Patterson	62,941	-	-	77,969*
Non-Executive Directors				
J. Morley-Kirk	34,193	4,109	-	29,883
C. Sinclair-Poulton	24,619	6,767	-	17,707*
Total	217,536	41,010	-	198,047

* Equity is issued to an associated party

All Directors' remuneration relates to short-term employee benefits. Amounts due to December 2023 are held as Unissued Share Capital at year-end (refer note 20 of the audited financial statements).

Share Capital

At 31 December 2023 the issued share capital of the Company stood at 712,865,042 – with 61,250,000 new shares having been issued during the year (as outlined in note 20 of the audited financial statements).

Substantial Shareholders

Substantial shareholders are outlined in note 20 of the audited financial statements.

Director and PDMR shareholdings are outlined in note 20 of the audited financial statements.

Employees

The Group has a policy of equal opportunities throughout the organisation. Employees benefit from regular communication both informally and formally regarding Company issues.

Directors Indemnity Insurance

The Company has purchased Directors and Officers insurance cover on behalf of the Directors indemnifying them against certain liabilities which may be incurred by them in relation to the Group.

Sustainability Information Statement

Overview

The Board of Directors is committed to producing gold with a leading Environment, Social and Governance approach (**ESG**) embedded throughout the process, from sustainable extraction and safe, clean water and waste disposal to enhancing the opportunities for the communities in which we operate.

The Board of Directors is aware of the requirement to include details of the Company's compliance with the 4 key pillars of the Taskforce on Climate-related Financial Disclosures' (**TCFD**) recommendations from January 2022:

- Governance – disclose the organisation's governance around climate-related risks and opportunities
- Strategy – disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material
- Risk Management – disclose how the organisation identifies, assesses, and manages climate-related risks
- Metrics and Targets – disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

The Directors note that for the years ended 31 December 2022 and 31 December 2023 whilst the Company recognised climate change as a relevant business risk, the Company is not in compliance with TCFD as it has limited climate-related risks due to being in the pre-production phase and the Company's business model is evolving as noted in the Chairman's Statement.

The Directors confirm that as the Company's projects move towards production, the Company, in association with its partners will develop policies, compliance metrics and mechanisms to act on climate change issues as a key focus of the Company's ESG deliverables. These policies, compliance metrics and mechanisms are intended to be finalised in the year ended 31 December 2024 and will confirm that the operating partner will have primary responsibility for compliance and that the partnership will jointly develop the following:

- governance arrangements in relation to assessing and managing climate-related risks and opportunities;
- agreement on climate-related risks and opportunities are identified, assessed and managed;
- alignment on the processes for identifying, assessing and managing climate-related risks are integrated into the Group's overall risk management process;
- determination of the principal climate-related risks and opportunities associated with the Group's operations and their actual and potential impacts;
- analysis of the resilience of the Group's business model and strategy to different climate related scenarios;
- determination of the targets to be used by the Group to manage climate-related risks and to realise climate-related opportunities; and
- development of the mechanism for setting and reviewing the key performance indicators (**KPIs**) to be used to assess progress against the agreed targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those KPIs are based.

Once developed, the Company will ensure that the climate-related impacts of the Group's activities will be effectively monitored by the Company's Health & Safety Committee. Until then, for the periods ended 31 December 2023, the Directors confirm that Company is not aware of any significant climate related risks or costs that will affect it and are pleased to outline the Company's current ESG commitments below.

The Directors are pleased to confirm that there have been no reported issues of non-compliance of these ESG commitments, which are listed below, in 2023 or to the date of this Report.

Environmental

The Board of Directors recognises the importance of understanding the environmental impact of our activities and will operate at the highest possible environmental standards across all aspects of our business.

Commitments:

- Limit our own carbon emissions in our operations through, wherever possible, the use of renewable energy as our primary source of energy and aiming for low carbon emission sources of energy for low carbon emissions
- Meet the highest environmental standards, ensuring biodiversity and ecosystems (land and water) are protected from extraction to transportation
- Manage our water usage, mitigate against loss of water and ensure the effective treatment of hazardous waste
- Report transparently and keep all our stakeholders updated on our performance

Social

The Company will aim to play a positive social role in all the locations we operate in and will provide a safe and secure operational environment for all those who work with us.

Commitments:

- Create trusted relationships with local people where we will listen to and address their concerns
- Invest directly into the local economy
- Support our colleagues to create an inclusive and safe work environment
- Ensure effective anti-corruption policies are maintained and embraced by all elements of our team and supply chain

Corporate Governance

The Company is incorporated in the British Virgin Islands. The Company is not required to comply with the provisions of the UK Corporate Governance Code. The Directors have responsibility for the overall corporate governance of the Company and recognise the need for appropriate standards of behaviour and accountability.

The Board will ensure that a sound corporate governance policy, involving a transparent set of procedures, is embraced to ensure that the needs of all the Company's stakeholders, internal and external, are taken into account.

The Directors are committed to the principles underlying best practice in corporate governance and have regard to certain principles outlined in the UK Corporate Governance Code to the extent they considered appropriate for the Company given its size, early stage of operations and complexities.

Health & Safety

Commitment:

- The Company will identify, evaluate and manage hazards and risks associated with our operations and will promote a safe working environment for all involved

Events after the Reporting Date

The events after 31 December 2023 are detailed in note 23 of the audited financial statements.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations. The Directors have prepared the financial statements for each financial period which present fairly the state of affairs of the Group and the profit or loss of the Group for that period.

The Directors have chosen to use the UK-adopted International Accounting Standards (**UK-adopted IAS**) in preparing the Group's financial statements.

International Accounting Standard 1 requires that financial statements present fairly for each financial period the company's financial position, financial performance and cash flows. This requires the faithful presentation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements". In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards.

A fair presentation also requires the Directors to:

- select consistently and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in UK-adopted IAS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- state that the Group has complied with UK-adopted IAS, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Stock Exchange.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of financial statements.

Financial information is published on the Group's website (refer <https://bluebirdmv.com/investors/corporate-documents/>). The maintenance and integrity of this website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may occur to the financial statements after they are presented initially on the website.

Legislation in the British Virgin Islands governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Responsibilities Pursuant to DTR4

In compliance with the Listing Rules of the London Stock Exchange, the Directors confirm to the best of their knowledge:

- The Group financial statements have been prepared in accordance with UK-adopted IAS and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.

- The annual report includes a fair review of the development and performance of the business and the financial position of the Group, together with a description of the principal risks and uncertainties that they face.
- The Group has not met the requirements of LR14.3.33 as it does not, for the year ended 31 December 2023, have 40% of its Board being women, at least one member being from a minority ethnic group or at least one woman in a nominated senior role within the Group. This is due to the lack of diversity in the mining industry and size of the Group. The Company will monitor its recruitment and hiring procedures in this regard as the Company progresses.

This Directors' Report was approved by the Board of Directors on 29 April 2024 and is signed on its behalf.

By Order of the Board

Jonathan Morley-Kirk

Chairman

29 April 2024

4. STRATEGIC REPORT

The Directors have voluntarily disclosed the Strategic Report for the year ended 31 December 2023 although it is not required under BVI regulations.

4.1 Business Model and Strategy

The Group is a project developer and targets Asian mining projects that may be brought into production within 24 to 30 months of funding and the securing of all mining permits. 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 (refer <https://bluebirdmv.com/corporate/>).

Such projects offer significant advantages over "normal greenfield" exploration projects in that:

- they cut out the major exploration costs;
- the economics in terms of gold price at closure are known;
- past production in the form of tonnes and grade are known;
- to a large extent the existing development needs refurbishment which is far cheaper than new development; and
- the overall cost to reopen is far cheaper per ounce than new ounces at the same grade of a new mine.

4.2 South Korea Gold Projects

South Korea is a modern, industrialised economy, a representative democracy and has substantial infrastructure advantages, in many respects, superior to western jurisdictions. South Korea is an investment-grade country with Moodys and Standard & Poors ratings of Aa3 and AA- respectively (2022, Aa2 and AA).

The Gubong Project

Gubong was South Korea's second largest gold producer historically and the largest during 1930-1943, during the Japanese occupation. It still retains substantial remnant ore between mined blocks and excellent exploration potential. Mine data indicates good potential for mine re-commissioning and the possibility of relatively early cash flow.

There is a dearth of information considering the age of the mine and there is anecdotal evidence that the information relating to gold production is understated as there was little government control over the Japanese mining companies.

The Korean Resources Corporation (KORES) estimate of remaining resources at Gubong is 2.34M tonnes at 7.34g/t. There are no declared JORC resource estimates currently at Gubong.

The immediate Gubong project area hosts five historical underground mines with the largest being the Gubong mine which exploited high grade quartz veins hosted in gneissic granite and mined to a vertical depth of approximately 500 metres.

Historic underground sampling results of the deeper levels of Vein 6, the main vein exploited at Gubong, gives an arithmetic uncut average of 30.6 g/t gold from 146 values. Exploratory core drilling below the now abandoned mine workings from one of five holes returned 27.9 g/t gold and 25 g/t silver over 1.6 metres downhole from 845.2 metres. This demonstration of the persistence with depth of the most developed mineralised structure supports the prospectivity of the property for auriferous shoots with considerable depth continuity.

Interestingly, Vein 6 was found as a blind vein in the hanging wall during mine development work on the other veins. This suggests substantial gold resources may be found in parallel vein systems that do not outcrop in the area.

The Kochang Project

The Kochang Mine began operations in 1928 with production records starting in 1938 with the Nippon Mining Co, which mined the project until 1942. Production restarted in 1961 and was fairly constant until 1975.

The workings extend over 1.2-1.5 km (2.5 km including the silver shaft area) from south west to north east and extend down dip to about 120 m below surface. The workings exploit 5-7 veins striking 050° with a dip of 50-70 north west. There seem to have been 4 shafts (north shaft, south shaft, main shaft and silver shaft). The gold and silver mines have been worked as separate mines in the past but recent work suggests that they are part of the same deposit and that resources may extend between them.

Following the last year of recorded production in 1975, exploratory level development was carried out in 1981 and 1990. Korean underground plans dated 1990 show the results of the sampling of quartz veins along portions of the gold mine at Kochang. In aggregate, a total of 104 underground samples are depicted with gold results ranging from 0.4 g/t up to 102.6 g/t for sample widths ranging from 0.03 metres to 0.6 metres in thickness. The length weighted average value of all the underground samples is 17.05 g/t gold over 0.2 metres. There are no declared JORC resource estimates currently at Kochang.

Of further interest is a particularly well mineralised 120 metre length of Vein 3 at the southern end of the prospecting drive on 245RL which gave a length weighted average value of 57.27 g/t gold over a 0.29 metre width: indicating the presence of higher grade ore shoots at Kochang. Bonanza grades were reportedly mined from upper levels of the north shaft vein.

In 1984, four inclined core holes were drilled at Kochang, but their coordinates are generally unknown. Each hole intersected narrow quartz veins. Two of the holes were sampled for assay over intersections of interest. One drill hole 84-2 was collared in a new deposit called the Sanpo Mine at 238 RL, azimuth of 225 and dip 70. Of the nine results reported, Hole 84-2 gave two intersections above 1 g/t gold in one hole. The intersections were 10.6 g/t gold and 12 g/t silver over 0.6 metres from 26.9 metres and 17.6 g/t gold and 4 g/t silver over 2.5 metres from 63.0 metres respectively. At 97.6 metres a 2.4m vein gave trace gold and 1,763 g/t silver.

This drill hole opens up a “new” parallel mineralised structure of up to 2.5m wide to be explored and the possibility of other as yet unknown structures related to the same hydrothermal fluid source and regional structures.

4.3 Philippines Overview – Batangas Gold Project

The Company applied for a two-year extension of the Exploration Period of the Mineral Production Sharing Agreement (MPSA) due to improving sentiment in the Philippines, which was granted on 21 September 2022. The Company subsequently entered into an agreement with a local Philippine company, with a view to represent the mine with the potential for underground mining and to secure the key permissions necessary to enable production.

The Company acquired the project from ASX Listed Red Mountain Mining Limited in November 2016 based on the highlights of a Pre-Feasibility Study (PFS) published by Red Mountain Mining Limited that declared a Maiden Ore Reserve of 128,000oz of gold (including silver credits) including 100,000oz of high-grade gold at 4.2g/t.

The acquisition cost allocated to the project was USD 2,137,855. The Batangas asset was fully impaired in the period ended 31 December 2019 as the Directors had a significant level of uncertainty on securing the permits due to the political sentiment in the Philippines at the time. The directors considered it appropriate to write the investment in Batangas down to USD Nil in the financial statements for the period ended 31 December 2019.

The Directors have reviewed the project progress, including the 2-year extension secured for the Exploration Period of the MPSAs in the year ended 31 December 2022 and the agreement, in principle, to a drilling program for the Batangas project and continued to progress the community relationship and environmental requirements required to confirm the MPSAs in the year ended 31 December 2023. The Directors note that as work is on-going and the Company will only seek to either apply for a further two year extension or it will make application for the MPSA to enter the Commercial Operation phase at the end of September 2024, it is prudent not to re-value the assets in the year ended 31 December 2023.

Progress will be reviewed on an on-going basis by the Board as the projects are further developed.

Batangas Gold Project Ore Reserves JORC 2012

Deposit	Ore Reserve Category	Tonnes	Au g/t	Au Oz	Ag g/t	Ag Oz	Au Eq g/t	Au Eq Oz
Archangel MPSA	Probable	1,225,000	2.1	86,000	10.0	403,000	2.3	91,000
Lobo MPSA	Probable	186,000	6.2	37,000	2.2	13,000	6.2	37,000
Total Batangas Project	Probable	1,411,000	2.6	123,000	9.0	416,000	2.4	128,000

Batangas Gold Project Mineral Resource JORC 2012

Deposit	Resource Classification	Tonnes	Au g/t	Au Oz	Ag g/t	Ag Oz
Kay Tanda West	Indicated	1,421,000	2.1	96,000	9.2	421,000
	Inferred	229,000	2.3	17,000	2.1	15,000
	Total	1,650,000	2.1	113,000	11.3	436,000
Kay Tanda Main	Indicated	1,161,000	1.9	70,000	1.4	50,000
	Inferred	2,775,000	2.0	180,000	1.2	109,000
	Total	3,936,000	2.0	250,000	2.6	159,000
Archangel MPSA	Total	5,586,000	2.0	363,000	5.3	595,000
South West Breccia	Indicated	214,000	6.4	44,000	1.8	12,600
	Inferred	7,000	2.3	1,000	1.9	400
	Total	221,000	6.3	45,000	1.8	13,000
Japanese Tunnel	Indicated	26,000	3.3	3,000	5.9	5,000
	Inferred	7,000	2.3	1,000	5.7	1,000
	Total	33,000	3.0	4,000	5.9	6,000
West Drift (> 2g/t)	Indicated	145,000	4.2	14,000	4.7	22,000
	Inferred	205,000	2.4	19,000	4.3	28,000
	Total	350,000	3.0	33,000	4.5	50,000
Lobo MPSA	Total	604,000	4.2	82,000	3.07	69,000
Batangas Gold Project	Indicated	2,968,000	2.4	227,000	5.4	511,000
	Inferred	3,222,000	2.1	218,000	1.5	154,000
	Total	6,190,000	2.2	445,000	3.5	665,000

The Pre-Feasibility Study was announced by Red Mountain Mining Limited (refer: [https://www.rscmme.com/report/Red Mountain Mining Ltd Batangas 15-6-2016](https://www.rscmme.com/report/Red_Mountain_Mining_Ltd_Batangas_15-6-2016)).

4.4 Funding

The Company funded its activities during the period by a share placing of GBP 1,215,000 received in March 2023. The Directors note that additional funding is required to meet the Company's going concern requirement. The Directors are confident, based on dialogue with its main shareholders and advisors that funding will be available as and when required. The Directors note that the auditors make reference to going concern by way of a material uncertainty over the ability of the Company and the Group to fund the recurring and projected expenditure (refer note 2 of the audited financial statements).

This Strategic Report was approved by the Board of Directors on 29 April 2024 and is signed on its behalf.

By Order of the Board

Jonathan Morley-Kirk
Chairman
29 April 2024

5 FINANCIAL STATEMENTS

5.1 Independent Auditor's Report to the Members of the Company

Opinion

We have audited the financial statements of Bluebird Merchant Ventures Ltd (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2023 and of its loss for the year then ended; and
- have been properly prepared in accordance with UK-adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 in section 5.7 of the financial statements, which indicates that the Group incurred a loss of \$253,524 in the year ended 31 December 2023, as of that date the Group's current liabilities exceeded its current assets by \$469,191 and the Group will be required to raise further finance, equity and/or debt, in order to fund its forecasted expenditure over the next twelve months. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included obtaining, reviewing and challenging cashflow forecasts prepared by management covering the going concern period and the related key inputs and assumptions, stress testing forecasts and

ascertaining the Group's current financial position and discussing their strategies regarding future fund raises.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. Materiality for the consolidated financial statements was set at \$400,000 (2022: \$400,000) based upon 2% of gross assets (2022: 2% of gross assets). Materiality has been based upon gross assets due to the significant value of the Consolidated Statement of Financial Position and the number of identified risks in relation to the Consolidated Statement of Financial Position relative to the Consolidated Statement of Comprehensive Income. Performance materiality and the triviality threshold for the consolidated financial statements was set at \$300,000 (2022: \$300,000) and \$20,000 (2022: \$20,000) respectively due to our accumulated knowledge of the Group, the number of significant risks identified and their assessed risk. We also agreed to report to the Audit Committee any other differences below the triviality threshold that we believe warranted reporting on qualitative grounds

Our approach to the audit

In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular we looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain, such as the carrying value of the mines under development asset. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

A full scope audit was performed on the complete financial information of all seven components of the Group.

Of the seven reporting components of the Group, one is located in the British Virgin Islands and two components each are located in the countries of South Korea, Philippines and Singapore. PKF Littlejohn LLP audited the ultimate parent company, situated in the British Virgin Islands, and all other reporting components. The Engagement Partner conducted audit work in the United Kingdom but interacted regularly with the management team in the Philippines during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the Group financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had

the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
<p>Carrying value of mines under development</p> <p>As at 31 December 2023, the carrying value of mines under development was \$19,816k (Note 12). This asset arose from the acquisition of the previous joint venture companies, Gubong and Kochang in 2021.</p> <p>Given the value of asset and the fact that the group have yet to enter into production and the significant estimation and judgement required to be made by management when conducting their impairment assessment, there is a risk that the assets may be materially impaired.</p>	<p>Our work included but was not limited to:</p> <ul style="list-style-type: none"> • Obtaining and reviewing the directors’ impairment assessment; • Discussing the impairment assessment with the directors to gain an understanding of the methodology applied; and • Challenging the reasonableness of key inputs and assumptions underpinning management’s impairment assessment and supporting calculations. <p>The directors’ recoverable value assessment, which included the use of discounted cashflow forecasts and independent third-party valuations of the subsidiaries and their underlying assets, were found to be reasonable. Management had expected to receive Mountain Temporary Use Permits to enable the Group to commence groundwork for proof of concept mining at Kochang and early development work at Gubong and are awaiting the result of the application to Korea’s Board of Audit Inspection in respect of Kochang. Should Mountain Temporary Use Permits for both projects and other required production licences not be obtained then the mines may not be fully developed and thus the carrying value of mines under development may not be recovered in full.</p>

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our

responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, independent research and our accumulated knowledge and experience of the industry.
- We determined the principal laws and regulations relevant to the group in this regard to be those arising from the LSE Main Market listing rules and BVI Business Companies Act.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group with those laws and regulations. These procedures included, but were not limited to:

- Making enquiries of management regarding compliance with laws and regulations by the Group;
- Reviewing board minutes; and
- Reviewing of regulatory news announcements made.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls that there was potential for management bias in relation to the carrying value of mines under development assets and we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business

In our audit procedures, we have considered matters of non-compliance with laws and regulations, including fraud at the group and component levels. We have performed audit procedures on all material components within the Group.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with our engagement letter. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Archer Engagement Partner
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
29 April 2024

15 Westferry Circus
Canary Wharf
London E14 4HD

5.2 Consolidated Income Statement

For the year ended 31 December 2023

	Note	12 months to 31-Dec-23 (USD)	12 months to 31-Dec-22 (USD)
Administrative expenses		(796,859)	(908,220)
Operating loss	6	(796,859)	(908,220)
Gain on acquisition of joint ventures	12	-	-
Finance gain /(expense)	9	546,359	(577,586)
Share of loss of joint ventures	12	(3,024)	-
(Loss)/profit before taxation		(253,524)	(1,485,806)
Income tax expense	10	-	-
(Loss)/profit for the year		(253,524)	(1,485,806)
Earnings per share:			
Basic and diluted earnings per share (USD cents per share)	20	(0.0004)	(0.0023)

The above results relate entirely to continuing operations.

The accompanying accounting policies and notes form an integral part of these financial statements.

5.3 Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	12 months to 31-Dec-23 (USD)	12 months to 31-Dec-22 (USD)
(Loss)/profit for the year	(253,524)	(1,485,806)
Exchange difference on translating foreign operations*	17,280	(6,580)
Total comprehensive income for the year	(236,244)	(1,492,386)

* Items that may be reclassified to profit or loss

The accompanying accounting policies and notes form an integral part of these financial statements.

5.4 Consolidated Statement of Financial Position

For the year ended 31 December 2023

	Note	31-Dec-23 (USD)	31-Dec-22 (USD)
Non-current assets			
Mines under development	12	19,816,088	19,816,088
		19,816,088	19,816,088
Current assets			
Trade and other receivables	13	55,763	228,393
Cash and cash equivalents	14	269,849	35,910
		325,612	264,303
Current liabilities			
Trade and other payables	15	(400,933)	(195,666)
Other financial liabilities	16	(353,300)	(1,001,458)
Derivative financial instruments	16	(40,570)	(612,829)
		(794,803)	(1,809,953)
Net Assets		19,346,897	18,270,438
Equity			
Issued share capital	20	21,790,174	20,313,458
Unissued share capital	20	150,584	314,597
Other reserves	18	1,347,662	1,330,382
Retained earnings		(3,941,523)	(3,687,999)
Total Equity		19,346,897	18,270,438

The accompanying accounting policies and notes form an integral part of these financial statements. These financial statements were approved and signed on behalf of the Board of Directors.

Jonathan Morley-Kirk
Chairman
29 April 2024

Colin Patterson
Chief Executive Officer
29 April 2024

5.5 Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Note	Issued Share Capital (USD)	Unissued Share Capital (USD)	Retained Earnings (USD)	Other Reserves (USD)	Total Equity (USD)
At 31-Dec-21		19,584,044	34,521	(2,202,193)	1,336,962	18,753,334
Loss for the year		-	-	(1,485,806)	-	(1,485,806)
Other comprehensive income for the period		-	-	-	(6,580)	(6,580)
Total comprehensive income		-	-	(1,485,806)	(6,580)	(1,492,386)
Shares issued/to be issued (net of expenses)	20	729,414	280,076	-	-	1,009,490
Total transactions with owners		729,414	280,076	-	-	1,009,490
At 31-Dec-22		20,313,458	314,597	(3,687,999)	1,330,382	18,270,438
Loss for the year		-	-	(253,524)	-	(253,524)
Other comprehensive income for the period		-	-	-	17,280	17,280
Total comprehensive income		-	-	(253,524)	17,280	(236,244)
Shares issued/to be issued (net of expenses)	20	1,476,716	(164,013)	-	-	1,312,703
Total transactions with owners		1,476,716	(164,013)	-	-	1,312,703
At 31-Dec-23		21,790,174	150,584	(3,941,523)	1,347,662	19,346,897

The accompanying accounting policies and notes form an integral part of these financial statements.

5.6 Consolidated Cash Flow Statement

For the year ended 31 December 2023

	Note	12 months to 31-Dec-23 (USD)	12 months to 31-Dec-22 (USD)
Cash flows from operating activities			
Cash paid to suppliers and employees		(616,005)	(559,997)
Net cash used in operating activities		(616,005)	(559,997)
Cash flows from investing activities			
Loans to external parties		-	-
Net cash used in investing activities		-	-
Cash flows from financing activities			
Cash received for shares		1,524,002	147,239
Cash paid to re-pay loans	16	(674,058)	282,000
Net cash from financing activities		849,944	429,239
Net increase/(decrease) in cash		233,939	(130,758)
Cash and cash equivalents at the start of the year		35,910	166,668
Cash and cash equivalents at the end of the year		269,849	35,910

There have been significant non-cash transactions relating to the settlement of operating and financial liabilities in the periods (refer notes 16 and 20 of the audited financial statements).

The accompanying accounting policies and notes form an integral part of these financial statements.

5.7 Notes to the Financial Statements

For the year ended 31 December 2023

1. Basis of Preparation and Adoption of International Financial Reporting Standards (IFRS)

Bluebird Merchant Ventures Ltd (the Company) is a limited company incorporated in the British Virgin Islands. The address of its registered office is at Harney Westwood & Riegels, Craigmuir Chambers, PO Box 71, Road Town, Tortola VG1110, British Virgin Islands.

The Group financial statements consolidate those of the Company and of its subsidiaries and have been prepared in accordance with UK-adopted IAS.

The consolidated financial statements are prepared on the historical cost basis or the fair value basis where the fair valuing of relevant assets and liabilities has been applied.

Certain amounts included in the consolidated financial statements involve the use of judgement and/or estimation. Judgements, estimations and sources of estimation uncertainty are discussed in note 3.

New and amended standards which are effective for these financial statements

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 January 2023 have had a material impact on the Group.

Standards in issue but not yet effective

Those standards, amendments and interpretations which have been recently issued or revised and are mandatory for the Group's accounting periods beginning on or after 1 January 2024 or later are not expected to have a material impact on the Group.

2. Going Concern

In common practice 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 year end the Group had net current liabilities of USD 428,621 exclusive of fair value liabilities of USD 40,570 in the year (2022, USD 932,821 exclusive of USD 612,829 of non-cash/fair value liabilities). During the year ended 31 December 2023, the Company settled USD 674,058 of loans and announced receiving funding of GBP 1,215,000.

Based on the current plans and financial projections, the Group's current cash resources and funding available are insufficient to enable the Group to meet its recurring commitments for the following twelve months. Whilst the directors acknowledge that the group will need to raise further finance to meet its forecasted expenditure over the next 12 months, the Company is in conversation to move its projects to a free carry basis to minimise on-going capital commitments. The Directors are in discussions over financing and are confident that this will be achieved. The Directors note that the auditors make reference to going concern by way of a material uncertainty over the ability of the

Company and the Group to fund the recurring and projected expenditure (refer note 2 of the audited financial statements).

3. Judgements in Applying Accounting Policies and Sources of Estimation Uncertainty

Certain amounts included in the financial statements involve the use of judgement and/or estimation. These are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience. However, judgements and estimations regarding the future are a key source of uncertainty and actual results may differ from the amounts included in the financial statements. Information about judgements and estimation is contained in the accounting policies and/or other notes to the financial statements. The key areas are summarised below.

3.1 Mineral Resources and Ore Reserves

Quantification of Mineral Resources requires a judgement on the reasonable prospects for eventual economic extraction. Quantification of Ore Reserves requires a judgement on whether Mineral Resources are economically mineable. These judgements are based on assessment of mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors involved. These factors are a source of uncertainty and changes could result in an increase or decrease in Mineral Resources and Ore Reserves (refer note 12 of the audited financial statements and section 4 of the Strategic Report).

3.2 Recoverable value of mine under development

Consideration of impairment indicators for mining projects requires significant judgements and estimates when assessing the available technical, financial and licencing information. At each period end, the Directors carry out this process for each project taking into account all available information to develop an expected recoverable value of the mines under development assets, which is compared to the carrying value of the mine under development assets.

The Directors considered the projects' developments since the date of this report. The Company undertook an impairment review of the Korean projects and see no adverse factors that suggest that the recoverable value of these assets has fallen below their carrying values. The Directors have assessed the recoverable value of the assets by reviewing valuations reports and discounted cashflow forecasts prepared, over six years with a discount rate of 15%, in respect of the two projects. The Director's further believe that they will obtain the required funding, secure the required permits be able to complete the construction of the mines and that they will generate the funds forecasted in the discounted cashflow forecasts.

3.3 Valuation of share warrants

Share warrants issued by the Company are fair valued when granted and warrants, which are classified as financial liabilities are revalued at each reporting date. This requires the Group to determine an appropriate valuation methodology, which they have determined to be the Black-Scholes option pricing model. The use of this model requires the determination of a number of key assumptions which can have a significant effect on the valuation (refer note 16 of the audited financial statements).

4. Accounting Policies

4.1 Consolidation

The Group financial statements consolidate the results of the Company and its subsidiary undertakings using the acquisition accounting method. On acquisition of a subsidiary, all of the subsidiary's identifiable assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition on that date. The results of subsidiary undertakings acquired are included from the date of acquisition. In the event of the sale of a subsidiary, the subsidiary results are consolidated up to the date of completion of the sale.

Subsidiaries are all those entities over which the parent has control. Control exists if the parent is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

The costs of acquisition are recognised in the income statement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any non-controlling interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement as a gain.

Transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated, unless the unrealised loss provides evidence of an impairment of the asset transferred.

Investments in associates and jointly controlled entities are accounted for using the equity method of accounting and are initially recognised at cost. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses exceeds its interest in an equity-accounted investee the carrying amount of the investment, including any other unsecured receivables, is reduced to zero, and the recognition of further losses is discontinued, unless the Group has incurred obligations or made payments on behalf of the investee.

Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in equity-accounted investees are recognised in profit or loss.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carry amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal.

In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets of liabilities.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

The difference between the fair value of the consideration to acquire the South Korean subsidiaries and the fair value of the subsidiaries net assets was taken to mines under development (refer note 12 of the audited financial statements).

4.2 Investment in Associates

Associate companies are companies in which the group has significant influence generally through holding, directly or indirectly, 20% or more of the voting power of the Group. Investments in associates are accounted for in the financial statements by applying the equity method of accounting whereby the investment is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss. Should the carrying value of the investment in associate reach nil by virtue of impairments and/or the accounting for the share of the associate's results, any subsequent share of an associate's loss for the period are not recognised.

At each balance sheet date management make an assessment as to whether an impairment is required. Impairments are recognised where one or more loss events are identified which are expected to have an impact on the estimated future cashflows derived from the net investment and can be reliably estimate.

Where impairments have been previously recognised, management will consider at each balance sheet date whether any indicators exist to suggest that impairment losses should be reversed. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the net investment subsequently increases. In determining the value in use of the net investment, management must estimate the group's share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate or joint venture and the proceeds from the ultimate disposal of the investment and the present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

4.3 Segmental reporting

An operating segment is a component of the Group engaged in exploration or production activity that is regularly reviewed by the Chief Operating Decision Maker (**CODM**) for the purposes of allocating resources and assessing financial performance. The CODM is considered to be the Board of Directors. The Group's operating segments are determined on a geographical basis being the British Virgin Islands, South Korea and the Philippines (refer note 5 of the audited financial statements).

4.4 Foreign currency translation

Functional and presentational currency

The functional currencies of the entities within the Group are the US dollar (for the Company and the Singaporean companies), Philippine peso (for the Philippine companies) and the Korean won (for the Korean companies) as the currencies which most affects each company's costs and financing. The Group's presentational currency is the US dollar.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

On consolidation, the assets and liabilities of the Group's overseas operations that do not have a US dollar functional currency, are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rate for the period. Exchange differences arising on the net investment in subsidiaries are recognised in other comprehensive income.

4.5 Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

De-recognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken where there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets

Financial assets are subsequently recognised at amortised cost under IFRS 9 if it meets both the hold to collect and contractual cash flow characteristics tests. A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If neither of the above classifications are met the asset is classified as fair value through the profit and loss or unless management elect to do so provided the classification eliminates or significantly reduces a measurement or recognition inconsistency.

A financial asset that is not carried at fair value through profit or loss is assessed at each reporting date to determine a loss allowance for expected credit losses. If the credit risk on a financial

instrument has increased significantly since initial recognition, the loss allowance is equal to the lifetime expected credit losses. If the credit risk has not increased significantly, the loss allowance is equal to the twelve month expected credit losses.

The expected credit losses are measured in a way that reflects the unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes; the time value of money and reasonable and supportable information that is available about past events, current conditions and forecasts of future economic conditions.

Financial liabilities

Financial liabilities include loans and trade and other payables. In the statement of financial position these items are included within non-current liabilities and current liabilities. Financial liabilities are recognised when the Group becomes a party to the contractual agreements giving rise to the liability. Interest related charges are recognised as an expense in Finance costs in the income statement unless they meet the criteria of being attributable to the funding of construction of a qualifying asset, in which case the finance costs are capitalised.

Borrowings, including the loan notes, are initially recognised at fair value, net of transaction costs incurred. They are subsequently stated at amortised cost with any difference between the proceeds (net of transaction costs) and the redemption value recognised in profit or loss over the period of the borrowings using the effective interest rate method.

When a loan is converted into equity the gain or loss arising, being the difference between the carrying amount of the liability extinguished and the fair value of the equity issued, is recognised in the Income Statement.

See separate accounting policies below in respect of accounting for warrants.

Trade and other payables and loans are recognised initially at their fair value and subsequently measured at amortised costs using the effective interest rate, less settlement payments.

4.6 Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short term highly liquid investments and are measured at cost which is deemed to be fair value as they have short-term maturities.

4.7 Share capital and unissued share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity and have no par value. Costs directly associated with the issue of shares are charged to share capital.

Where the Company has a contractual right to issue a fixed number of shares to settle a fixed liability it recognises unissued share capital pending the issue of shares.

4.8 Income taxes

Current income tax liabilities comprise those obligations to fiscal authorities in the countries in which the Group carries out operations and where it generates its profits. They are calculated according to the tax rates and tax laws applicable to the financial period and the country to which they relate. All changes to current tax assets and liabilities are recognised as a component of the tax charge in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amount of assets and liabilities in the consolidated financial statements with their respective tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects taxable or accounting profit.

Deferred tax liabilities are provided for in full; deferred tax assets are recognised when there is sufficient probability of utilisation. Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

There are no deferred tax assets or liabilities in the Group's statement of financial position.

4.9 Provisions, contingent liabilities and contingent assets

Other provisions are recognised when the present obligations arising from legal or constructive commitment, resulting from past events, will probably lead to an outflow of economic resources from the Group which can be estimated reliably. Provisions are measured at the present value of the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date. All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

4.10 Share based payments

The Group operates equity settled share based compensation plans, which may be settled in cash under certain circumstances. All employee services received in exchange for the grant of any share based compensation are measured at their fair values. These are indirectly determined by reference to the share based award. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions. The Black-Scholes model is used to measure the fair value.

All share based compensation is ultimately recognised as an expense in profit and loss with a corresponding credit to other reserves, net of deferred tax where applicable. Where share based compensation is to be cash settled, such as certain share based bonus awards, the corresponding credit is made to accruals or cash. The Company may have certain share option schemes that may be settled in cash at the absolute discretion of the Board.

If any equity settled share-based awards are ultimately settled in cash, then the amount of payment equal to the fair value of the equity instruments that would otherwise have been issued is accounted

for as a repurchase of an equity interest and is deducted from equity. Any excess over this amount is recognised as an expense.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to the expense recognised in prior periods is made if fewer share options are ultimately exercised than originally granted.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, up to the nominal value of the shares issued, are allocated to share capital with any excess being recorded in share premium.

4.11 Exploration and evaluation expenditures

The Group applies the successful efforts method of accounting for natural resource assets, having regard to the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources'. Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the Statement of Comprehensive Income.

All licence acquisitions, exploration and evaluation costs are capitalised, a share of administration costs is capitalised insofar as they relate to exploration, evaluation and development activities. These costs are written off unless commercial reserves have been established or the determination process has not been completed and there are no indications of impairment. If a project is deemed commercial all of the attributable costs are transferred into Property, Plant and Equipment. These costs are then depreciated from the commencement of production on a unit of production basis.

4.12 Impairment of exploration and evaluation assets

Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount.

Impairment reviews for exploration and evaluation assets are carried out on a project by project basis, with each project representing a potential single cash generating unit.

An impairment review is undertaken at least each balance sheet date or when indicators of impairment arise such as:

- unexpected geological occurrences that render the resource uneconomic;
- title to the asset is compromised;
- variations in mineral prices that render the project uneconomic;
- substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned; and

- the period for which the Group has the right to explore has expired and is not expected to be renewed.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Comprehensive Income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

4.13 Mine development costs

Once the decision has been taken to develop a mine the costs that are considered to be directly attributable to the development are capitalised and reviewed for impairment each year. When assessing this asset for impairment, management estimate the recoverable value of the asset, being the higher of the assessed value in use or the assessed fair value less costs to sell. The higher of the two is then compared to the carrying value of the asset.

4.14 Warrants

Warrants instruments are classified as derivative financial liabilities as the functional currency of the Company is USD and the exercise price is GBP. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income.

4.15 Fair value measurement hierarchy

The Group classifies its financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement.

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2);
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within the financial liability is determined on the basis of the lowest level input that is significant to the fair value measurement.

5. Segmental Reporting

5.1 Income Statement

For the year ended 31 December 2023

	BVI (USD)	Philippines (USD)	South Korea (USD)	Total (USD)
Administrative costs	(511,286)	(31,252)	(257,345)	(799,883)
Finance gain	546,359	-	-	546,359
Profit/(loss) for the period	35,073	(31,252)	(257,345)	(253,524)
Other comprehensive income	(118,765)	47,422	88,623	17,280
Total comprehensive income for the year	(83,692)	16,170	(168,722)	(236,244)

5.2 Statement of Financial Position

For the year ended 31 December 2023

	BVI (USD)	Philippines (USD)	South Korea (USD)	Total (USD)
Mines under development	-	-	19,816,088	19,816,088
Trade and other receivables	31,404	-	24,359	55,763
Cash and cash equivalents	244,562	285	25,002	269,849
Total Assets	275,966	285	19,865,449	20,141,700
Trade and other payables	(321,513)	(79,420)	-	(400,933)
Other financial liabilities	-	-	(353,300)	(353,300)
Derivative financial instruments	(40,570)	-	-	(40,570)
Net (liabilities)/assets	(86,117)	(79,135)	19,512,149	19,346,897

5.3 Income Statement

For the year ended 31 December 2022

	BVI (USD)	Philippines (USD)	South Korea (USD)	Total (USD)
Administrative costs	(694,576)	(2,613)	(211,031)	(908,220)
Finance expense	(577,586)	-	-	(577,586)
Loss for the period	(1,272,162)	(2,613)	(211,031)	(1,485,806)
Other comprehensive income	-	(62,598)	56,018	(6,580)
Total comprehensive income for the year	(1,272,162)	(65,211)	(155,013)	(1,492,386)

5.4 Statement of Financial Position

For the year ended 31 December 2022

	BVI (USD)	Philippines (USD)	South Korea (USD)	Total (USD)
Mines under development	-	-	19,816,088	19,816,088
Trade and other receivables	217,595	-	10,798	228,393
Cash and cash equivalents	29,718	302	5,890	35,910
Total Assets	247,313	302	19,832,776	20,080,391
Trade and other payables	(116,647)	(79,019)	-	(195,666)
Other financial liabilities	(648,158)	-	(353,300)	(1,001,458)
Derivative financial instruments	(612,829)	-	-	(612,829)
Net (liabilities)/assets	(1,130,321)	(78,717)	19,479,476	18,270,438

6. Loss for the Period Before Tax

	12 months to 31-Dec-23 (USD)	12 months to 31-Dec-22 (USD)
Loss for the period has been arrived at after charging the following under administrative expenses:		
Auditors' remuneration – current period	43,750	42,500
Directors' remuneration – Company	217,536	239,057
Staff costs – Group	127,888	146,291
Share based payments	-	269,951

7. Remuneration of Key Management Personnel

In accordance with IAS 24 – Related Party transactions, key management personnel, including all Executive and Non-Executive Directors, are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

	12 months to 31-Dec-23			12 months to 31-Dec-22		
	Payable in Cash (USD)	Payable in Equity (USD)	Total (USD)	Payable in Cash (USD)	Payable in Equity (USD)	Total (USD)
Directors remuneration	217,536	-	217,536	41,010	198,047	239,057
Key management personnel	98,992	-	98,992	12,237	99,336	111,573
Other staff costs	28,896	-	28,896	34,718	-	34,718
Total remuneration	345,424	-	345,424	87,965	297,383	385,348

Details of the Directors remuneration is shown under the Remuneration Committee section of the Director’s Report.

All amounts shown relate to short term employee benefits and there are no payments made for other long term benefits, termination benefits or share based benefits.

Directors and key management personnel agreed to take fees between October 2021 and December 2022 as equity. This has not been issued and is represented by unissued share capital (movements are noted in note 20 of the audited financial statements).

8. Average Number of Employees

	12 months to 31-Dec-23 (USD)	12 months to 31-Dec-22 (USD)
Directors	6	6
Management and Administration	2	2
Mining, Processing and Exploration staff	1	1
	9	9

9. Finance Expense/(Gain)

	12 months to 31-Dec-23 (USD)	12 months to 31-Dec-22 (USD)
Loan interest and loan financing fees	25,900	250,646
Fair value movement*	(572,259)	326,940
	(546,359)	577,586

* Refer note 16.5 of the audited financial statements

10. Taxation

The Group contains entities with tax losses and deductible temporary differences for which no deferred tax asset is recognised. A deferred tax asset has not been recognised within some of the Group entities where the entities in which those losses and allowances have been generated either do not have forecast taxable profits in the near future or the losses have restrictions whereby their utilisation is considered to be unlikely.

The Company is taxed at the standard rate of income tax for British Virgin Island companies which is 0%. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions – the tax charge for the period can be reconciled to the loss per the income statement as follows:

	12 months to 31-Dec-23		12 months to 31-Dec-22	
	Corporation Tax Rate	(USD)	Corporation Tax Rate	(USD)
Profit/(loss) before taxation				
BVI	0.0%	(7,027)	0.0%	(1,272,162)
Philippines	25.0%	(31,152)	25.0%	(2,613)
South Korea	25.0%	(257,345)	25.0%	(211,031)
Tax gain/(losses) carried forward not recognised as a deferred tax asset	24.4%	(259,524)	3.6%	(1,485,806)

No disallowable expenses were incurred in 2023 (2022: USD Nil). Fair value gains from warrants are non-taxable gains in 2023 (2022: USD Nil).

11. Investments in Associates – Egerton Gold Philippines Inc

Summarised financial information in respect of the Group's associate interest in Egerton Gold Philippines Inc is set out below. The summarised information represents amounts shown in Egerton Gold Philippines Inc's financial statements, as adjusted for differences in accounting policies. Amounts have been translated in accordance with the Group's accounting policy on foreign currency translation.

A summary of the Balance Sheet of Egerton Gold Philippines Inc is shown below:

	31-Dec-23 (USD)	31-Dec-22 (USD)
Non-current assets		
Deferred exploration costs	17,355,341	17,267,843
Current liabilities		
Trade and other payables	(17,746,655)	(17,649,720)
Net liabilities	(391,314)	(381,877)
Equity		
Issued Capital	112,813	122,244
Retained Earnings	(504,127)	(504,121)
Total Equity	(391,314)	(381,877)

Variations from 31 December 2022 to 31 December 2023 relate primarily to FX differences

Losses for the year ended 31 December 2023 were USD 3,024 (2022: USD Nil). As outlined in the Directors Report, the Batangas asset was fully impaired in the period ended 31 December 2019. The Board has determined that there should be no re-statement of the impairment at 31 December 2023, but will continue to review this on an on-going basis as the project is further developed (refer Chairman's Statement).

12. Mines Under Development

	31-Dec-23 (USD)	31-Dec-22 (USD)
Mines under development at start of year	19,816,088	19,816,088
Movements in the year	-	-
Mines under development at end of year	19,816,088	19,816,088

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, which were acquired as the Company, through its pre-feasibility studies, demonstrated value in the projects for the Company's shareholders.

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 Joint Venture Interest in the South Korean gold projects was revalued prior to acquisition to the consideration required to acquire the joint ventures, which generated a gain on acquisition of

USD 8.3 million and the recording of mines under development totalling USD 19.8 million at 31 December 2021.

There has been no addition in the years ended 31 December 2022 and 31 December 2023 due to operational delays (refer note 23 of the audited financial statements).

13. Trade and Other Receivables

	31-Dec-23	31-Dec-22
	(USD)	(USD)
Other receivables	27,389	197,355*
Prepayments	28,374	31,038
	55,763	228,933

* Includes USD 183,528 cash received on 05 January 2023 in relation to shares issued in December 2022

14. Cash and Cash Equivalents

	31-Dec-23	31-Dec-22
	(USD)	(USD)
Cash at bank	269,849	35,910

15. Trade and Other Payables

	31-Dec-23	31-Dec-22
	(USD)	(USD)
Trade and other payables	357,183	153,666
Accruals	43,750	42,000
	400,933	195,666

16. Other Financial Liabilities

16.1 Other Financial Liabilities

	31-Dec-23	31-Dec-22
	(USD)	(USD)
Loan notes issued to non-related parties	-	648,158
Funds received from Korean consortium	353,300	353,300
	353,300	1,001,458

16.2 Derivative financial instruments

	31-Dec-23 (USD)	31-Dec-22 (USD)
Derivative financial instruments – warrants	40,570	612,829
	40,570	612,829

The warrants issued by the Company are detailed in note 16.5 of the audited financial statements.

16.3 Loans

The Group has a loan with Auric Network, a cryptocurrency organisation that operates in South Korea, with a balance of USD 353,300 at 31 December 2023 and 31 December 2022. This funding is in the form of a prepayment of gold to be repaid upon production at a 20% discount to the gold price at the time of delivery.

16.4 Reconciliation of Liabilities arising from Financing Activities

For the year ended 31 December 2023

	Current Other Financial Liabilities (USD)	Derivative financial instruments (USD)	Total (USD)
At 31 December 2021	779,081	285,888	1,064,969
Cash Flows	282,000	-	282,000
Debt conversion	(65,000)	-	(65,000)
Non-cash flows:			
Loan charges and interest	5,377	-	5,377
Fair Value Changes	-	326,941	326,941
At 31 December 2022	1,001,458	612,829	1,614,287
Cash Flows	(674,058)	-	(674,058)
Non-cash flows:			
Loan charges and interest	25,900	-	25,900
Fair Value Changes	-	(572,259)	(572,259)
At 31 December 2023	353,300	40,570	393,870

16.5 Share Warrants – Fair Value

The fair value of the warrants is derived from the Black-Scholes model on the parameters noted and is represented by the following table:

	31-Dec-23		31-Dec-22	
	Number	(USD)	Number	(USD)
Issued in April 2016 and outstanding	5,757,924	2,933	5,757,924	46,646
Issued in period ended 31 December 2021 and outstanding	9,464,916	-	9,464,916	96,214
Issued in period ended 31 December 2022 and outstanding	48,100,000	5,615	48,100,000	469,969
Issued in period ended 31 December 2023 and outstanding	61,965,000	32,022	-	-
Warrants – issued	125,287,840	40,570	63,322,840	612,829

The warrants were fair valued using a Black Scholes model, based on the following parameters – risk free rate 3.8% (2022, 2.4%), volatility of 85% for 3 years (2022, 88%) and 73% for 1 year (2022, 80%).

16.6 Share Warrants – Issued

Warrants issued and warrants to be issued denominated in Sterling are classified as derivative financial instruments carried at fair value through profit and loss. There were 61,965,000 warrants issued during the financial year (2021, 48,100,000).

	1.30p	2.00p	2.50p	3.50p	3.962p	5.75p
Outstanding at 31-Dec-21	2,692,307	-	-	-	9,464,916	5,757,924
Issued in 2022	-	-	34,100,000	14,000,000	-	-
Converted in 2022	(2,692,307)	-	-	-	-	-
Re-negotiated in 2022	-	38,564,916	(29,100,000)	-	(9,464,916)	-
Outstanding at 31-Dec-22	-	38,564,916	5,000,000	14,000,000	-	5,757,924
Issued in 2023	-	1,215,000	-	60,750,000	-	-
Outstanding at 31-Dec-23	-	39,779,916	5,000,000	74,750,000	-	5,757,924
Exercisable at 31-Dec-23	-	39,779,916	5,000,000	74,750,000	-	5,757,924

The 1,215,000 warrants at 2.0p and the 60,750,000 warrants at 3.50p were issued as part of the share placing arrangements in March 2023.

The re-negotiated warrants issued in 2022 relate to short-term loans that have been re-paid in 2023. The 5,000,000 warrants at 2.50p were issued as an incentive for a non-related consultant engaged by the Company to lead its Investor Relations efforts and the 14,000,000 warrants at 3.50p were issued as part of the share placing arrangements in December 2022.

The 5,757,924 warrants at 5.75p were issued to a related party of Colin Patterson in the April 2016 prospectus.

17. Financial Instruments

17.1 Financial Assets measured at Amortised Cost

	31-Dec-23	31-Dec-22
	(USD)	(USD)
Trade and other receivables	27,389	197,355
Cash and cash equivalents	269,849	35,910
	297,238	233,265

17.2 Financial Liabilities measured at Amortised Cost

	31-Dec-23	31-Dec-22
	(USD)	(USD)
Trade and other payables – current	357,183	195,666
Other financial liabilities	353,300	1,001,458
	710,483	1,197,124

17.3 Derivative financial instruments measured at Fair Value

	31-Dec-23	31-Dec-22
	(USD)	(USD)
Derivative financial instruments – warrants	40,570	612,829
	40,570	612,829

17.4 Fair Values

The fair values of the Group's cash, trade and other receivables and trade and other payables are considered equal to their book value.

Other financial liabilities are initially measured at fair value and subsequently at amortised cost. The fair values of the Group's other financial liabilities are considered equal to the book values as the effect of discounting on these financial instruments is not considered to be material.

The warrants are classified as Level 3 financial instrument as certain inputs to the Black-Scholes valuation model are not based on observable market data.

17.5 Liquidity Risk

The Group monitors constantly the cash outflows from day to day business and monitors long term liabilities to ensure that liquidity is maintained. Trade liabilities of USD 357,183 are due on demand, loans from the Korean consortium of USD 353,300 are due to be repaid from gold production by the Company.

As disclosed in the going concern statement in note 2 of the audited financial statements, the Company actively addresses the requirement to manage the Group's cash balances as well as to raise new financing to fund mining development activities. This is an area which receives considerable focus from the Board and management on a daily basis.

17.6 Credit Risk

Credit risk refers to the risk that a counterparty will default on, and not pay, its contractual obligations resulting in a financial loss to the Group. In order to minimise this risk, the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored.

Credit risk on cash and cash equivalents is considered to be acceptable as the counterparties are either substantial banks with high credit ratings or with whom the Group has offsetting debt arrangements.

Trade and other receivables have been recorded at cost and are in accordance with contractual arrangements.

17.7 Interest rate risk

At the balance sheet date, the Group does not have any long-term variable rate borrowings.

17.8 Foreign currency risk

The Group's cash at bank balance consisted of the following currency holdings:

	31-Dec-23	31-Dec-22
	(USD)	(USD)
US Dollars	459	623
Sterling	244,103	29,095
Philippine Pesos	285	302
Korean Won	25,002	5,890
	269,849	35,910

The Group is exposed to transaction foreign exchange risk due to transactions not being matched in the same currency. This is managed, where possible and material, by the Group retaining monies received in various currencies in order to pay for expected liabilities in that currency. The Group currently has no currency hedging in place.

The Group's exposure to financial assets and financial liabilities is as shown in the following tables:

Financial Assets	31-Dec-23	31-Dec-22
	(USD)	(USD)
US Dollars	10,864	6,760
Sterling	244,103	209,515
Philippine Pesos	285	302
Korean Won	41,986	16,688
	297,238	233,265

Financial Liabilities – Current	31-Dec-23	31-Dec-22
	(USD)	(USD)
US Dollars	543,339	864,478
Sterling	152,566	866,456
Philippine Pesos	81,782	79,019
Korean Won	17,116	-
	794,803	1,809,953

The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Philippines Peso and Sterling, but these are not significant as most of the transactions are in USD. However, the Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

18. Capital Management

The Group's capital management objectives are to ensure that the Group's ability to continue as a going concern, and to provide an adequate return to shareholders. The Group manages the capital structure through a process of constant review and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares, adjust dividends paid to shareholders, return capital to shareholders, or seek additional debt finance.

The nature of the Group's equity reserves is:

- Reserves – cumulative gains and losses on translating the net assets of overseas operations to the presentation currency, and share based payments for the acquisition of joint venture participation rights;
- Unissued share capital – this reflects the value of equity that management has agreed to issue for settlement of remuneration, liabilities and funding provided;
- The cost of investment in the joint ventures at fair value on the date of signing the formal joint venture agreement – being, USD 1,330,080 at the Company's share price of GBP 2.56 pence on 17 August 2018;
- Retained surplus/accumulated losses – comprise the Group's cumulative accounting profits and losses since inception.

19. Share Based Payments

	31-Dec-23	31-Dec-22
	Number	Number
Issued share – non-related parties	-	9,103,679
	-	9,103,679

Shares issued to non-related parties in 2022 represent shares issued in lieu of finance costs and other operating costs incurred in the year.

20. Share Capital

20.1 Unissued Share Capital

	31-Dec-23		31-Dec-22	
	Number	USD	Number	USD
Salary Sacrifice	6,702,253	150,584	12,610,169	301,201
December 2022 share placing	-	-	500,000	13,396
	6,702,253	150,584	13,110,169	314,597

The unissued share capital balance at 31 December 2023 represents amounts due to directors and key management personnel for the period from October 2021 to December 2022.

20.2 Issued Share Capital

	31-Dec-23		31-Dec-22	
	Number	USD	Number	USD
Opening Balance	651,615,042	20,313,458	622,315,788	19,584,044
Shares issued in the period	61,250,000	1,476,716	19,566,732	438,354*
Share based payments	-	-	9,103,679	262,952
Salary sacrifice	-	-	628,843	28,108
Closing Balance	712,865,042	21,790,174	651,615,042	20,313,458

* Includes USD 183,528 cash received on 05 January 2023 in relation to shares issued in December 2022 plus non-cash conversions of USD 149,093 less USD 13,396 moved to unissued share capital at year end

The shares have no par value.

Issued share capital at 31 December 2023 is represented by:

	31-Dec-23		31-Dec-22	
	Number	%	Number	%
Aidan Bishop*	67,455,536	9.5%	67,455,536	10.4%
Charles Barclay	16,291,813	2.3%	15,791,813	2.4%
Jonathan Morley-Kirk	5,306,253	0.7%	5,306,253	0.8%
Colin Patterson*	74,805,973	10.5%	74,805,973	11.5%
Clive Sinclair-Poulton*	2,316,776	0.3%	2,316,776	0.4%
Graeme Fulton	6,330,989	0.9%	6,330,989	1.0%
Stuart Kemp	11,471,619	1.6%	11,471,619	1.8%
Total PDMR	183,978,959	25.8%	183,478,959	28.2%
International Gold PTE Limited**	50,250,000	7.1%	150,000,000	23.0%
Momentum Resources Limited	34,209,117	4.8%	34,209,117	5.3%
Other	444,426,966	62.3%	283,926,966	43.5%
Total Non-PDMR	528,886,083	74.2%	393,136,083	71.8%
Total Issued Shares	712,865,042	100.0%	651,615,042	100.0%

* Issued to a related party

** 100% subsidiary of Southern Gold Limited

20.3 Earnings Per Share

	12 months to 31-Dec-23 (USD)	12 months to 31-Dec-22 (USD)
Basic and diluted earnings per share	(0.0004)	(0.0023)
Profit/(loss) used to calculate basic earnings per share	(253,524)	(1,485,806)
Weighted average number of shares used in calculating basic earnings per share	689,270,949	634,315,476

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.

In 2023 and 2022, the potential ordinary shares were anti-dilutive as the Group was in a loss making position and therefore the conversion of potential ordinary shares would serve to decrease the loss per share from continuing operations. Where potential ordinary shares are anti-dilutive a diluted earnings per share is not calculated and is deemed to be equal to the basic earnings per share.

The warrants noted in note 16 of the audited financial statements could potentially dilute EPS in the future.

20.4 Substantial Shareholders (unaudited)

At 31 December 2023 the following had notified the Company of disclosable interests in 5% or more of the nominal value of the Company's shares.

	Number	%
Rene Nominees (IOM) Limited	126,849,621	17.8%
Fiske Nominees Limited	120,737,437	16.9%
The Bank of New York (Nominees) Limited	114,240,031	16.0%
Hargreaves Lansdown (Nominees) Limited	76,019,713	10.7%
Interactive Investor Services Nominees Limited	51,710,878	7.3%

The Directors are of the view that at 31 December 2023, and the date of the signing of this Annual Report, that there is no ultimate controlling party.

21. Related Party Transactions

21.1 Amounts Due to Related Parties

At 31 December 2023 Directors and Key Management Personnel are due USD 234,467 (2022, USD Nil) in cash and USD 150,584 (2022, USD 301,201) in unissued share capital.

21.1 Other Related Party Transactions

Directors Remuneration and Key Management Personnel (refer note 7 of the audited financial statements).

Issued and unissued share capital (refer note 20 of the audited financial statements).

A related party assisted the Company with banking transactions in the period to July 2023.

22. Capital Commitments

At 31 December 2023 the Group had not entered into contractual commitments for the acquisition of property, plant and equipment.

The Group has an office lease with an end date of August 2024 – at 31 December 2023 USD 2,362 is payable in respect of the lease.

23. Events After the Reporting Date

There are no reportable events after the reporting date.

24. Shares in Group Undertakings

During the period the subsidiaries and associate of the Company, including those indirectly held by the Company, are shown in the following table:

Name of Entity	Nature of Business	Country of Registration	Percentage of Ordinary Share Capital Held	
			2023	2022
MRL Gold Inc	Batangas Gold Project	Philippines	100%	100%
Egerton Gold Philippines Inc	Batangas Gold Project	Philippines	40%	40%
Gubong Project JV Co PTE Ltd*	South Korea Gold Projects	Singapore	100%	100%
Kochang Project JV Co PTE Ltd**	South Korea Gold Projects	Singapore	100%	100%

* Gubong Project JV Co PTE Ltd is the 100% holder of the South Korea registered Gubong Project Co Ltd (note 11)

** Kochang Project JV Co PTE Ltd is the 100% holder of the South Korea registered Geochang Project Co Ltd (note 11)

The Company acquired 50% of the South Korean companies in June 2021 from Southern Gold Limited (refer note 12 of audited financial statements).