



BLUEBIRD MERCHANT VENTURES LIMITED

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2021
(UNAUDITED)**

CHAIRMAN'S STATEMENT

The first half of 2021 was devoted solely to agreeing a deal with Southern Gold Limited ("SAU"). This was announced on 29 June 2021. The Independent Expert had given a valuation for SAU's 50% of the Gubong and Geochang project joint ventures of USD 9.945 million. This, and associated costs, is to be settled with the issuance of 200 million BMV shares at GBP 3.6p (USD 5.0 cents) and has generated a gain on acquisition of USD 8.3 million in addition to the recording of the Tenements to USD 19.4m million in the Group's accounts.

50 million shares were duly issued to SAU on 29 June 2021. The remaining 150 million shares require a full prospectus to be issued and approved by the FCA in London. Under the agreement with SAU the prospectus and issuance should be completed by the end of the year. BMV has the option of issuing 150 million shares to SAU or a blend of shares and cash. I welcome SAU as a significant shareholder in BMV.

Whilst negotiations with SAU were taking place the two mines in South Korea were placed under a care and maintenance regime. This followed the Gubong and Geochang project joint venture agreements. Thus work on the mines was kept to a minimum. In addition Covid-19 restrictions in South Korea made mine development extremely challenging.

My thanks, as ever, go to the Management team for their hard work under difficult conditions.



Jonathan Morley-Kirk

Chairman

29 October 2021

DIRECTORS' REPORT

The Directors present their report together with the unaudited financial statements of the Group for the half-year ended 30 June 2021.

The Group

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

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

On 29 June 2021, the Group completed the initial settlement of USD 2.5 million in Company equity to Southern Gold Limited to acquire their 50% of the Gubong JV Project Co Private Limited and Kochang JV Project Co Private Limited JV companies, which are registered and domiciled in Singapore. These companies are the 100% owner of the South Korean registered and domiciled Gubong Project Co Limited and Geochang Project Co Limited respectively. In the half-year ended 30 June 2021, the loss for these companies in the period is shown as a share of loss in the Group's accounts.

Acquisition of South Korean Mines

The transaction with Southern Gold Limited outlined in the Chairman's Report and announced on 29 June 2021 has been accounted for in these interim accounts as an acquisition with the issuance of 50 million shares at GBP 3.6p (USD 5.0 cents) increasing the Company's share capital by USD 2.5 million (refer note 8 of the unaudited financial statements).

The Company has recorded the unissued share capital of USD 7.5 million to Southern Gold Limited, which will be settled through the issuance of 150 million shares, or a blend of shares and cash, on approval of a prospectus by the FCA. This is expected to be concluded by year end.

The transaction has generated a gain on acquisition of USD 8.3 million and the recording of the South Korean Tenements at USD 19.4 million in the Group's accounts (refer note 10 of the unaudited financial statements).

Results and Dividends

The results of the Group for the half-year ended 30 June 2021 show a profit before taxation of USD 7,964,787 (30 June 2020 showed a loss of USD 638,051).

No dividends have been paid or proposed for the period.

Operational Activities

The Group is a project developer and targets mining projects that may be brought into production within 24 to 30 months within Asia. Many opportunities are presented in the form of old underground gold mines which can be re-opened, a process with which the Company's Management team has substantial experience.

The Group will focus activities on its South Korean projects at Gubong and Geochang in the coming period.

Company Directors

	Position	Appointed	Audit Committee	Remuneration Committee	H&S Committee
J. Morley-Kirk	Non-Exec. Chairman	March 2014	Chair	Member	Member
C. Sinclair-Poulton	Non-Exec. Director	September 2015	Member	Chair	Chair
A. Bishop	Executive	March 2014	-	-	-
C. Barclay	Executive	March 2017	-	-	-
C. Patterson	Executive	September 2015	-	-	-

Share Capital

At 30 June 2021 the issued share capital of the Company stood at 467,482,119.

This Directors' Report was approved by the Board of Directors on 29 October 2021 and is signed on its behalf.

By Order of the Board



Jonathan Morley-Kirk
Chairman
29 October 2021

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2021 (Unaudited)

FINANCIAL STATEMENTS

Consolidated Income Statement

For the half-year ended 30 June 2021

	Note	30 Jun 2021 (USD) (Unaudited)	30 Jun 2020 (USD) (Unaudited)
Revenue		-	-
Cost of Sales		-	-
Gross profit/(loss)		-	-
Administrative expenses		(194,232)	(336,970)
Farm-in management fees earned/(costs)		(47,744)	12,107
Operating profit/(loss)		(241,976)	(324,863)
Gain on acquisition of joint ventures	10	8,301,087	-
Share of loss of joint ventures		(36,418)	(92,501)
Exchange loss		(2,790)	(1,284)
Finance expense	7	(55,116)	(219,403)
Profit/(loss) before taxation		7,964,787	(638,051)
Income tax expense		-	-
Profit/(loss) for the period		7,964,787	(638,051)
Attributable to:			
Equity shareholders to the parent company		7,964,787	(638,051)
Earnings per share:			
Basic and diluted profit/(loss) per share (cents per share)	8.3	0.0200	(0.0017)

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

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2021 (Unaudited)

Consolidated Statement of Comprehensive Income

For the half-year ended 30 June 2021

		30 Jun 2021	30 Jun 2020
		(USD)	(USD)
		(Unaudited)	(Unaudited)
Profit/(loss) for the period		7,964,787	(638,051)
Exchange difference on translating foreign companies*	9	(93,284)	(5,141)
Share of other comprehensive income of associate*		-	89,680
Total comprehensive income for the period		7,871,503	(553,512)

* Items may be reclassified to profit or loss

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

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2021 (Unaudited)

Consolidated Statement of Financial Position

At 30 June 2021

	Note	30 Jun 2021 (USD) (Unaudited)	30 Jun 2020 (Re-stated) (USD) (Unaudited)
Non-current assets			
Tenements	10	19,400,166	-
Mine Development		520,325	-
Investment in joint ventures		-	1,588,580
		19,920,491	1,588,580
Current assets			
Trade and other receivables	6	19,257	41,616
Cash and cash equivalents		62,615	158,148
		81,872	199,764
Current liabilities			
Trade and other payables	2	(196,965)	(320,619)
Other financial liabilities	2	(353,300)	(62,907)
Derivative financial liabilities	5	(258,005)	(329,944)
		(808,270)	(713,470)
Net Assets		19,194,093	1,074,874
Equity			
Issued share capital	8.1	11,849,479	8,561,524
Unissued share capital	8.2	7,770,081	551,354
Reserves	9	1,342,927	1,433,555
Retained earnings		(1,768,394)	(9,471,559)
Total Equity		19,194,093	1,074,874

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


Jonathan Morley-Kirk
 Chairman
 29 October 2021

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2021 (Unaudited)

Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2021

	Share Capital (USD)	Unissued Share Capital (USD)	Retained Earnings (USD)	Reserves (USD)	Total Equity (USD)
At 31 Dec 2019	7,552,662	230,223	(8,699,901)	1,349,016	432,000
Prior year adjustment*	-	133,607	(133,607)	-	-
At 31-Dec-19 (Re-stated)	7,552,662	363,830	(8,833,508)	1,349,016	432,000
Profit/(loss) for the period	-	-	(638,051)	-	(638,051)
Other comprehensive profit/(loss)	-	-	-	84,539	84,539
Total comprehensive profit/(loss)	-	-	(638,051)	84,539	(553,512)
Shares issued/to be issued	1,008,862	187,524	-	-	1,196,386
Total transaction with owners	1,008,862	187,524	(638,051)	84,539	642,874
At 30 Jun 2020 (Re-stated)	8,561,524	551,354	(9,471,559)	1,433,555	1,074,874
Profit/(loss) for the period	-	-	(261,622)	-	(261,622)
Other comprehensive profit/(loss)	-	-	-	2,656	2,656
Total comprehensive profit/(loss)	-	-	(261,622)	2,656	(258,966)
Shares issued/to be issued	109,256	242,321	-	-	351,577
Total transaction with owners	109,256	242,321	(261,622)	2,656	92,611
At 31 Dec 2020	8,670,780	793,675	(9,733,181)	1,436,211	1,167,485
Profit/(loss) for the period	-	-	7,964,787	-	7,964,787
Other comprehensive profit/(loss)	-	-	-	(93,284)	(93,284)
Total comprehensive profit/(loss)	-	-	7,964,787	(93,284)	7,871,503
Shares issued/to be issued	3,178,699	6,976,406	-	-	10,155,105
Total transaction with owners	3,178,699	6,976,406	7,964,787	(93,284)	18,026,608
At 30 Jun 2021	11,849,479	7,770,081	(1,768,394)	1,342,927	19,194,093

* Prior year adjustment related to misstatement of unissued share capital, corrected through retained earnings, at 31 December 2019 – as noted in the 31 December 2020 Annual Report. The accompanying accounting policies and notes form an integral part of this financial report.

BLUEBIRD MERCHANT VENTURES LIMITED
Financial Report for the Half-Year Ended 30 June 2021 (Unaudited)

Consolidated Cash Flow Statement

For the half-year ended 30 June 2021

	30 Jun 2021	30 Jun 2020
	(USD)	(USD)
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash paid to suppliers and employees	(85,221)	(194,021)
Net cash from operating activities	(85,221)	(194,021)
Cash flows from investing activities		
Loans to joint ventures	(101,600)	(80,119)
Net cash used investing activities	(101,600)	(80,119)
Cash flows from financing activities		
Net proceeds from equity issued	-	363,342
Proceeds from loans	176,600	62,907
Net cash used financing activities	176,600	426,249
Net increase/(decrease) in cash	(10,221)	152,109
Cash and cash equivalents at the start of the period	72,836	6,039
Cash and cash equivalents at the end of the period	62,615	158,148

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

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

NOTES TO THE FINANCIAL INFORMATION

For the half-year ended 30 June 2021

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

The Group financial statements consolidate those of the Group and of its investments. The Group financial statements have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee interpretations as adopted by the European Union at 31 December 2020. The report has been prepared in accordance with IAS 34.

The operations are not subject to seasonal variations.

The Group notes that no newly effective IFRS Standards had an impact on the Group in the period.

The financial statements are in compliance with the DTR rules and the accounting policies are consistent with the Group’s Annual Report.

2. Going Concern

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

At the year end the Group had net current liabilities of USD 726,398 inclusive of USD 258,005 of warrants which are to be settled in shares, USD 196,965 of trade liabilities and cash resources of USD 62,615. Since 31 December 2020 the Group has raised USD 176,600 from the Korean consortium – with a balance at 30 June 2021 of USD 353,300 to be repaid from gold production by the Company.

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

COVID-19, and the uncertainty over its duration and continued impacts, is also creating volatility in capital markets and will make raising additional funds from any source significantly more challenging, however, the Directors remain confident that this is achievable.

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

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Financial Report for the Half-Year Ended 30 June 2021 (Unaudited)

3. Segmental Reporting

3.1 For the half-year ended 30 June 2021

Income Statement	BVI	Philippines	South Korea	Total
	(USD)	(USD)	(USD)	(USD)
For the half-year ended 30 June 2021	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Administrative costs	(192,861)	(1,371)	-	(194,232)
Farm-in costs	-	-	(47,744)	(47,744)
Gain on acquisition of joint ventures	-	-	8,301,087	8,301,087
Share of loss from joint ventures	-	-	(36,418)	(36,418)
Exchange losses	(2,790)	-	-	(2,790)
Finance costs	(55,116)	-	-	(55,116)
Profit/(loss) for the period	(250,767)	(1,371)	8,216,925	7,964,787
Other comprehensive income	-	(10,588)	(82,696)	(93,284)
Total comprehensive income for the period	(250,767)	(11,959)	8,134,219	7,871,503

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

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3.2 For the half-year ended 30 June 2020

Income Statement	BVI (USD)	Philippines (USD)	South Korea (USD)	Total (USD)
For the half-year ended 30 June 2020	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Administrative costs	(330,668)	(6,302)	-	(336,970)
Farm-in costs	-	-	12,107	12,107
Share of loss from joint ventures	-	-	(92,501)	(92,501)
Exchange losses	(1,284)	-	-	(1,284)
Finance costs	(219,403)	-	-	(219,403)
Loss for the period	(551,355)	(6,302)	(80,394)	(638,051)
Other comprehensive income	-	84,539	-	84,539
Total comprehensive income for the period	(551,355)	78,237	(80,394)	(553,512)

Statement of Financial Position	BVI (USD)	Philippines (USD)	South Korea (USD)	Total (USD)
At 30 June 2020	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Non-current assets	-	-	1,588,580	1,588,580
Trade and other receivables	41,616	-	-	41,616
Cash and cash equivalents	155,664	2,484	-	158,148
Total assets	197,280	2,484	1,588,580	1,788,344
Current liabilities	(230,820)	(89,799)	-	(320,619)
Other financial liabilities	(62,907)	-	-	(62,907)
Derivative financial liabilities	(329,944)	-	-	(329,944)
Net assets	(426,391)	(87,315)	1,588,580	1,074,874

4. Loss for the Period before Tax

	30 Jun 2021 (USD) (Unaudited)	30 Jun 2020 (USD) (Unaudited)
Loss for the Period has been arrived at after charging:		
Directors Remuneration	100,292	121,398
Staff Costs	46,057	154,660

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5. Derivative Financial Liabilities

5.1 Derivative Financial Liabilities

	30 Jun 2021 (USD) (Unaudited)	30 Jun 2020 (USD) (Unaudited)
Derivative financial liabilities – warrants	258,005	329,944
Total	258,005	329,944

5.2 Share Warrants – Issued

Warrants issued and warrants to be issued are denominated in Sterling and are classified as derivative financial liabilities carried at fair value through profit and loss.

There were 8,450,231 warrants in issuance at 30 June 2021:

	Weighted Average Exercise Award			
	1.30p	3.50p	4.00p	5.75p
Outstanding at 30 Jun 2019	-	2,325,000	9,951,920	8,257,924
Issued in 2019/20	15,384,615	-	-	-
Lapsed	-	-	-	(2,500,000)
Exercised	(3,846,153)	-	-	-
Outstanding at 30 Jun 2020	11,538,462	2,325,000	9,951,920	5,757,924
Lapsed	-	(2,325,000)	(9,951,920)	-
Exercised	(8,846,155)	-	-	-
Outstanding at 30 Jun 2021	2,692,307	-	-	5,757,924

At 30 June 2021, these warrants were fair valued at USD 258,005, using a Black-Scholes model, based on the following parameters – a risk free rate of 2.10%, a volatility of 73% for those warrants with a life of three years and 50% for those warrants with a life of one year.

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5.3 Reconciliation of Liabilities arising from Financing Activities

	Current Other Financial Liabilities (USD) (Unaudited)	Derivative financial instruments (USD) (Unaudited)	Total (USD) (Unaudited)
At 30 June 2020	62,907	329,944	392,851
Cash Flows	176,700	-	176,700
Non-cash flows:			
Settlement through issue of shares	(62,907)	-	(62,907)
Fair Value Changes	-	(127,055)	(127,055)
At 31 December 2020	176,700	202,889	379,589
Cash Flows	176,600	-	176,600
Non-cash flows:			
Fair Value Changes	-	55,116	55,116
At 30 June 2021	353,300	258,005	611,305

6. **Trade and Other Receivables**

	30 Jun 2021 (USD) (Unaudited)	30 Jun 2020 (USD) (Unaudited)
Deposits	19,257	3,030
Warrant Debtors	-	38,586
Total	19,257	41,616

7. **Finance Expense**

	30 Jun 2021 (USD) (Unaudited)	30 Jun 2020 (USD) (Unaudited)
Loan note interest and finance expenses	-	(10,598)
Fair value movement	(55,116)	(208,805)
Total	(55,116)	(219,403)

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8. Share Capital

8.1 Issued Share Capital

	30 Jun 2021		30 Jun 2020	
	Number (Unaudited)	USD (Unaudited)	Number (Unaudited)	USD (Unaudited)
Opening Balance	388,032,022	8,561,524	247,349,075	4,558,430
Issued During the Period (Net of Issue Costs)	79,450,097	3,287,955	140,682,947	4,003,094
Closing Balance	467,482,119	11,849,479	388,032,022	8,561,524

The shares have no par value.

8.2 Unissued Share Capital

	30 Jun 2021		30 Jun 2020 (Re-stated)	
	Number (Unaudited)	USD (Unaudited)	Number (Unaudited)	USD (Unaudited)
Salary Sacrifice	6,523,090	270,081	18,780,585	498,007
Southern Gold Limited	150,000,000	7,500,000	-	-
Other	-	-	1,167,398	53,347*
Total	156,523,090	7,770,081	19,947,983	551,354

* Includes fair value adjustments of USD 23,068

Directors and Senior Management have agreed for the issuance of shares due at 30 June 2021 to be deferred to the 2021 Prospectus re. the issuance of 150m shares to Southern Gold Limited.

8.3 Earnings Per Share

	30 Jun 2021 (USD) (Unaudited)	30 Jun 2020 (USD) (Unaudited)
Basic and diluted earnings per share	0.0200	(0.0017)
Profit/(loss) used to calculate basic and diluted earnings per share	7,964,787	(638,051)
No. of shares used in calculating basic and diluted earnings per share	398,035,377	373,096,736

Basic 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 year.

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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.

9. Reserves

	30 Jun 2021	30 Jun 2020
	(USD)	(USD)
	(Unaudited)	(Unaudited)
Translation Reserve	12,847	103,475
Share Based Payments Reserve	1,330,080	1,330,080
Total	1,342,927	1,433,555

10. Tenements

	30 Jun 2021	30 Jun 2020
	(USD)	(USD)
	(Unaudited)	(Unaudited)
Consideration paid to Southern Gold Limited	2,500,000	-
Consideration to be paid to Southern Gold Limited	7,500,000	-
Company's 50% Joint Venture Interest	10,000,000	-
Total consideration	20,000,000	-
Less fair value of net assets:		
Non-current assets	(2,535,532)	-
Current assets	(64,302)	-
Current liabilities	-	-
Goodwill on acquisition	17,400,166	-
Tenements before acquisition of joint ventures	2,000,000	-
Tenements at period end	19,400,166	-

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

The total consideration to be paid to Southern Gold Limited is the issuance of up to a maximum of 200 million BMV shares at GBP 3.6p per share (USD 0.5 cents) as noted in the Chairman's Statement. The Company has issued an initial 50 million shares to Southern Gold Limited, at a consideration of USD

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2.5 million and may elect to pay USD 7.5 million in cash, or partly in cash, if it is considered more advantageous than issuing the full remaining balance of the 150 million shares.

The Joint Venture Interest in the South Korean gold projects has been re-valued to the consideration required to acquire the joint ventures, which has generated a gain on acquisition of USD 8.3 million and the recording of the tenements at USD 19.4 million at 30 June 2021.