



Shares on Issue: 49.15m

Share Price: \$0.245

Market Capitalisation: \$12m

Asset Base – WA, Australia

Cannon Gold Mine (100%)

Glandore Gold Project (75%*)

Cowarna Gold Project (100%)

Transfind Extended (Option)

*currently earning 90%

Asset Base – South Korea

Gubong Project (100%*/BMV)

Taechang Project (100%*/BMV)

Kochang Project (100%*/BMV)

Weolyu Au-Ag Project (100%)

Hampyeong Au-Ag Proj. (100%)

*Currently under BMV farm-in

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Bluebird RNS: Excellent Metallurgical Test Results for Gubong

Bluebird Merchant Ventures release to London Stock Exchange;

Gubong Gold Project

- Excellent results from initial metallurgical test work
- Recovery of more than 90% of the gold
- Results imply that extraction will not be complex or expensive

Kochang Gold Project

- Underground sampling programme results expected next week

Bluebird Merchant Ventures Ltd Public Release

Southern Gold Ltd (“Southern Gold”) advises that its development partner, London Stock Exchange (LSE) listed Bluebird Merchant Ventures Ltd (“Bluebird”), has released some information through the LSE information distribution platform, RNS. **The information in this latest RNS is regarding Southern Gold’s Gubong and Kochang Gold Projects in South Korea where Bluebird is currently earning a 50% equity interest.**

Bluebird’s RNS, as released to the London Stock Exchange, is attached.

The results or statements in this RNS have not been verified by the Southern Gold board as at the time of writing.

Bluebird is currently investing a total of US\$1 million in the advancement of the historic Gubong and Kochang Gold Mines principally by defining a development framework to advance the projects on a capital cost of less than US\$10 million. The report and development framework are due to be submitted to Southern Gold in mid-2018. See Southern Gold ASX release dated 27 March 2017 for further details.

Southern Gold Limited: Company Profile

Southern Gold Ltd is a successful gold explorer and producer listed on the Australian Securities Exchange (under ASX ticker "SAU"). At the Cannon project near Kalgoorlie we are currently developing a small underground operation where Northern Star Resources Ltd holds a five year right-to-mine. Southern Gold is also looking to develop a much larger mine, Gubong, in South Korea within the next 12-18 months with development partner London-listed Bluebird Merchant Ventures.

We are also active explorers. Around Kalgoorlie Southern Gold is testing projects such as Glandore, Transfind Extended and Cowarna looking for additional small high grade open pit-able gold resources to maintain cash flow. In South Korea, Southern Gold also owns a portfolio of high grade gold projects that are a combination of decommissioned gold mines with orogenic gold mineralisation and greenfield epithermal gold targets. Backed by a first-class technical team, including renowned geologist Douglas Kirwin, Southern Gold's aim is to find world-class epithermal gold deposits.

In essence, Southern Gold looks to monetise the small gold deposits while we search for the bigger ones.

Forward-looking statements

Some statements in this release regarding estimates or future events are forward looking statements. These may include, without limitation:

- *Estimates of future cash flows, the sensitivity of cash flows to metal prices and foreign exchange rate movements;*
- *Estimates of future metal production; and*
- *Estimates of the resource base and statements regarding future exploration results.*

Such forward looking statements are based on a number of estimates and assumptions made by the Company and its consultants in light of experience, current conditions and expectations of future developments which the Company believes are appropriate in the current circumstances. Such statements are expressed in good faith and believed to have a reasonable basis. However the estimates are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from estimated results.

All reasonable efforts have been made to provide accurate information, but the Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation, except as may be required under applicable laws. Recipients should make their own enquiries in relation to any investment decisions from a licensed investment advisor.



9 May 2018

Bluebird Merchant Ventures Ltd

(the "Company" or "Bluebird")

Excellent Initial Metallurgical Test Work Results on Gubong Ore

Bluebird Merchant Ventures (EPIC: BMV), the Asian focused resource development group is pleased to announce excellent results relating to the initial metallurgical test work conducted on ore from Adit 4 at the Gubong mine.

Highlights:

- **Excellent results from initial metallurgical test work**
- **Recoveries in excess of 90% of the gold**
- **Ore is not problematic and does not require complex or expensive extraction techniques**

Metallurgical test work has been conducted at the Mines and Geoscience Bureau (MGB) and Intertek in Manila, Philippines in order to determine the most appropriate method to recover gold and silver from the ore. The work has been conducted under the direction and guidance of Bluebird's Metallurgical Manager, Peter Wallwin, who has over 40 years of experience of project development.

Initial diagnostic test work indicates that the ore sample tested may be amenable to gravity separation, a simple and low cost technique for the separation of minerals based on their specific gravity by their relative movement in response to the force of gravity. Further investigations are well advanced to this end.

Leaching test work performed on the ore sample indicated recoveries in excess of 90% of the gold (up to 97% has been reported from some tests) at low reagent consumption. Leaching is a widely used extractive metallurgy technique which converts metals (in this case gold), into soluble salts in an aqueous media. The dissolved metals are then recovered from the solution.

These excellent results from the samples evaluated to date indicate that the ore is not problematic and does not require complicated or expensive extraction techniques. These results will allow the company to commence financial evaluation of different options for the design and construction of its process plant. Recoveries in excess of 90% are considered high by industry standards. Each option will have a capital cost which can be weighed up against operating cost and cash flow.

Further test work is in progress to further evaluate gravity separation as well as some alternative processes. A second, separate set of samples will be taken at a later date from other areas of the mine to verify the results obtained from the initial samples evaluated.

Metallurgical test work is a critical factor in determining the viability and economics of any ore as well for ongoing operations. An ore deposit even of high grade may be compromised should the metal or mineral prove difficult or costly to extract.

The Company is also pleased to announce that the assay results have been received from the recent Kochang underground sampling program. These results are being evaluated and the Company expects to update the market next week.



Colin Patterson, CEO, commented:

“We are delighted with these initial results and the general progress to date at Gubong. The initial metallurgical results are very encouraging and give us the confidence to start looking at the various options available to take the Gubong project to the next stage. We look forward to providing further updates on our progress at both our Gubong and Kochang projects in the near future.”

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION EU 596/2014 (“MAR”)

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