



Bluebird Merchant Ventures Limited

**Annual Report and Financial Statements
2020**

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	
Bankers	Barclays PLC 13 Library Place St Helier JE4 8NE Jersey	Shinhan Bank Co Ltd 474, Dunchon-daero Jungwon-gu, Seongnam-si Gyeonggi-do South Korea
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

2020 was a difficult year for many businesses given the global pandemic. Fortunately, the Company did not suffer any fatalities to COVID-19. My thanks go to the team for continuing their work in difficult circumstances.

During 2020 our Joint Venture Partners, Southern Gold Limited ("SAU") decided to exit from the joint venture arrangement. An expert was appointed to value their share of the joint venture business. On 27 November 2020 the expert (Graeme Robinson) opined that USD 11,050,000 was his expert valuation for each 50% share of the joint venture. Both the Company and Southern Gold Limited have spent much of 2021 trying to work out how the payment for this valuation should be made. On 29 June 2021 both Southern Gold Limited and the Company announced that an agreement has been reached. The broad terms of the agreement are that the Company end up with 100% of the joint venture assets and Southern Gold Limited will be issued a total of 200,000,000 Company shares. Of these, 50,000,000 shares were issued immediately and 150,000,000 will be issued after the publication of a prospectus.

I welcome Southern Gold Limited as a significant shareholder in the Company.

Whilst discussions were taking place, both mines in the South Korea were on a care and maintenance basis. Therefore, the immediate plans involve opening up the mines properly and devising the best way of moving towards production. It may take a little time before tangible progress is seen but I am confident that Colin's team are up to the challenge. COVID-19 remains a substantial problem in the South Korea, however, the Company is committed to protecting its staff as much as possible whilst delivering value to shareholders.



Jonathan Morley-Kirk

Chairman,
30 June 2021

2. CHIEF EXECUTIVE'S COMMENT

We live in exciting times and I am pleased that the Company continued to make sound progress during the past 12-month period.

As noted by our Chairman our company has finalised the agreement that will see the Company owning 100% of both projects in the South Korea. The price paid in shares and or cash is such that each current shareholder will have a greater percentage of exposure to the projects (refer table below and note 25 of the audited financial statements).

	Number of BMV Shares	BMV Ownership of South Korean projects
Total issued shares before salary sacrifice	397,647,406	-
Unissued salary sacrifice	19,834,713	-
Existing shareholders before SAU agreement	417,482,119	50.0%
To be issued to SAU – 1 st tranche	50,000,000	12.5%
To be issued to SAU – 2 nd tranche	150,000,000	37.5%
Shareholdings after SAU agreement	617,482,119	100.0%

The ownership of the South Korean projects by the existing shareholders of the Company will increase from 50.0% to 67.6% as a result of the completion of the agreement with Southern Gold Limited (being, 417.5m shares / 617.5m shares).

The Company is planning to publish a Prospectus to accommodate the acquisition from Southern Gold Limited by placing some 150,000,000 shares which have essentially been underwritten by Southern Gold Limited at price of 3.6 GB pence. This allows your company to either issue all 150,000,000 shares to Southern Gold Limited to completely satisfy the completion requirements or to raise cash at a price higher than 3.6 GB pence to pay Southern Gold Limited thereby reducing dilution to current shareholders.

COVID-19 has unfortunately slowed down our efforts to start construction at the two projects but we have been fortunate to secure investment from a Korean consortium that operates in the crypto market. Once work commences on the projects, we fully expect to receive all the necessary funds to complete the construction of both projects. Work on the Kochang project is now planned to start in the second half of 2021.

Due to the COVID-19 challenges we have made every endeavour to preserve our funds as reflected in our accounts. I imagine we must be one of the most economically run junior miner on the LSE and AIM bourses. I thank my fellow managers and directors for the sacrifices they have made and for their amazing efforts during the year.

As stated last year I look forward to future Annual Reports where we will be able to report on actual gold production numbers.

I would like to thank our shareholders for their ongoing support as the Company seeks to bring about gold production in the South Korean projects.

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line and a small flourish.

Colin Patterson
Chief Executive Officer
30 June 2021

3. DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Group for the 12 month period ended 31 December 2020.

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, on the Official List pursuant to Chapters 14 of the Listing Rules, which sets out the requirements for Standard Listings.

Results and Dividends

The Company has set out its results in the audited financial statements, and notes, and show a loss of USD 899,673 for the year (18 months to 31 December 2019 showed a re-stated loss of USD 4,247,402 – inclusive of the write off of Batangas of USD 2,141,600).

The Directors do not recommend the payment of a dividend for the year ended 31 December 2020 (2019 Nil).

Future Developments

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

Principal Risks and Uncertainties

The Company operates in an uncertain environment and is subject to a number of risk factors. The Directors consider the following risk factors are of particular relevance to the Company'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).

South Korea Projects

With the receipt of the two permits to mine Gubong and Kochang, the management plans were to establish an operating office in South Korea and initiate activity at the sites in accordance with our schedule. None of this was possible because of COVID-19 restrictions affecting travel, supplies and human resource.

Batangas Project

In relation to the Philippines the on-going regulatory environment remains the key risk.

The Company has continued to place the Batangas Gold Project under care and maintenance due the uncertain, but improving, regulatory environment and as such no significant expenditure is planned over the near term. Permitting remains the key risk and there can be no guarantees that the Batangas Gold Project will receive the necessary permissions in order to move into the production phase.

COVID-19

The COVID-19 pandemic has had limited effect on operational progress so far due to the measures taken by the government of the South Korea. However, the pandemic may continue to affect adversely the Group's ability to implement its planned development programmes for the coming year – whether due to logistical challenges, such as the curtailment of international flights; the unavailability of mining personnel, equipment or materials or governmental restrictions which may be imposed in any of the jurisdictions in which the Group it operates. The Company will continue to actively monitor the response to the pandemic and will manage the consequences as they arise.

Going Concern

At the year end the Group had net current liabilities of USD 509,713 and incurred losses of USD 899,673 in the year.

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

COVID-19, and the uncertainty over its duration, continues to create volatility in capital markets and will make raising additional funds from any source significantly more challenging.

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, including development of the Group's key assets (refer note 2 of the audited financial statements).

Corporate Governance

The Company is registered 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 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.

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

Company Directors

	Position	Appointed	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	Chair
C. Barclay	Executive	Mar-17	-	-	Member
A. Bishop	Executive	Mar-14	-	-	-
C. Patterson	Executive	Sep-15	-	-	-

Shareholdings and warrants held by Directors and other PDMRs are outlined in notes 16 and 25 respectively of the audited financial statements.

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 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 of the Company and its subsidiaries and associate.

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 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 2020 and 2019 in relation to the period of their appointment as Director are:

	Receivable in Cash (USD)		Receivable in Equity (USD)	
	in the year to 31-Dec-20	in the period to 31-Dec-19	in the year to 31-Dec-20	in the period to 31-Dec-19
Executive Directors				
C. Barclay	-	42,360	77,800	72,525
A. Bishop	-	36,492	70,006	60,501
C. Patterson	-	-	56,445	125,526
Non-Executive Directors				
J. Morley-Kirk	-	-	35,279	52,978
C. Sinclair-Poulton*	-	14,914	25,401	23,230
Total	-	93,766	264,931	334,760

* Amounts are payable to a non-related party

All Directors remuneration in 2020, as in the prior period, is in relation to short-term employee benefits. The amounts in Receivable in Equity after 30 April 2019 were issued in June 2021 (refer note 25 of the audited financial statements).

Share Capital

At 31 December 2020 the issued share capital of the Company stood at 397,647,406 – with 31,645,789 new shares having been issued during the year. The issuances are outlined in note 20 of the audited financial statements and the issuance of new capital after the reporting date in note 25 of the audited financial statements.

Substantial Shareholders

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

Director and PDMR shareholdings after the post reporting date issuances are outlined in note 25 of the audited financial statements.

Employees

The Group has a policy of equal opportunities throughout the organisation and is proud of its culture of diversity and tolerance. Employees benefit from regular communication both informally and formally with regard to Company issues.

Directors Indemnity Insurance

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

Events after the Reporting Date

The events after 31 December 2020 are detailed in note 25 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 International Financial Reporting Standards ("IFRS") as adopted by the European Union 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 IFRS as adopted by the European Union 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 IFRS as adopted by the European Union, 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. The maintenance and integrity of this website is the responsibility of the Directors; the work carried out by the auditors do 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 web-site.

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union 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.

This Directors' Report was approved by the Board of Directors on 30 June 2021 and is signed on its behalf.

By Order of the Board



Jonathan Morley-Kirk

Chairman

30 June 2021

4. STRATEGIC REPORT

The Directors have voluntarily disclosed the Strategic Report for the year ended 31 December 2020 although it is not required under BVI regulations.

4.1 Business Model and Strategy

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.

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.

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 Aa2 and AA respectively.

4.2.1 Partnership with Southern Gold Limited

With the South Korea joint ventures established in 2019, the Company operates both the Gubong Project Company and the Geochang¹ Project Company.

During 2020 Southern Gold Limited decided to exit from the joint venture arrangement – details of the resulting expert valuation are outlined in the Chairman's Report.

4.2.2 The Gubong Project

The project is just over one hour's drive west of Daejeon, the second largest city in South Korea. Access to the site is by sealed roads to within 100 metres of the old mine. Other infrastructure such as power and telecommunications are also placed conveniently.

History

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

¹ Geochang is the formal name for the mining area within which the Kochang mine is situated

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.

Work at Gubong

The Group has undertaken on-going care and maintenance and community relations work undertaken at Gubong in the period to 31 December 2020. Operational activities will be addressed when the joint venture position is resolved with Southern Gold Limited.

4.2.3 The Kochang Project

General Information on Kochang

The Kochang Mine began in 1928 but production records started in 1938 with the Nippon Mining Co which mined 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 50-70NW. 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, presumably by KORES. 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.

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.

Work at Kochang

The Group has undertaken on-going care and maintenance and community relations work undertaken at Kochang in the year to 31 December 2020. Operational activities will be addressed when the joint venture position is resolved with Southern Gold Limited.

4.3. Philippines Overview – Batangas Gold Project

The outlook for the Philippine mining industry has continued to improve during the period, but the Batangas Gold project remains under *care and maintenance* pending clarity of government policy. The Company does not expect any progress to this regard over the near-term.

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 Board considered it appropriate to continue to follow IFRS and to write the investment in Batangas down to zero in the financial statements (refer note 12 of the audited financial statements).

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	3.3	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	5.7	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	4.4	50,000
Lobo MPSA	Total	604,000	4.2	82,000	3.6	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	3.3	665,000

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	1,441,000	2.6	123,000	9.0	416,000	2.8	128,000

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 receiving USD 401,119 for the issuance of shares and USD 176,700 from the Korean consortium referenced in the CEO Comment.

The Company continued to benefit from Directors and the Management team continuing to agree to not take cash as detailed in their contracts.

This Strategic Report was approved by the Board of Directors on 30 June 2021 and is signed on its behalf.

By Order of the Board



Jonathan Morley-Kirk
Chairman
30 June 2021

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 2020 which comprise the Consolidated Income Statements, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cashflow 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 International Financial Report Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union

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 company 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 the financial statements, which indicates that the Group are losing making, having incurred a loss of \$953,849 in 2020, are in a net current liability position, \$509,713 as at 31 December 2020, and are dependent on obtaining financing in order to meet its working capital requirements over the next 12 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 due to the Group's ability to periodically raise finance in order to maintain sufficient cash reserves to enable it to meet its obligations as they fall due. Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included reviewing and challenging cashflow forecasts prepared by Management covering the going concern period and the relating key assumptions 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 as \$40,000 based upon 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 Comprehensive Income Statement. Performance materiality and the triviality threshold for the consolidated financial statements was set at \$28,000 and \$2,000 respectively due to this being our first year of engagement. We also agreed to report any other differences below that 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 recoverable value of the Group's investment in joint ventures. 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 four reporting components of the Group, two are located in both of the Philippines and Singapore. PKF Littlejohn LLP audited the ultimate parent company, situated in the British Virgin Islands, and all 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 the scope of our audit responded to the key audit matter
Carrying value of investments in joint ventures The Company holds investments in two joint ventures with a total carrying value of \$1.677m, as disclosed in note 11. There is a risk that these investments are impaired. There is also a risk that these investments may not have been correctly classified as joint ventures and transactions between the Group and the investments may not have been correctly accounted for.	Our work in this area included but was not limited to: • Obtaining confirmation of ownership of investments; • Ensuring that the Company's share of the joint ventures' loss for 2020 has been correctly calculated and accounted for; • Ensuring that any additions to the investment in joint ventures in the year have been capitalised in accordance with IAS 28 and are correctly valued; • Obtaining the Directors' assessment of the recoverable value of each joint venture and supporting models; challenging their assumptions and reviewing the inputs into the model for reasonableness; • Ensuring the investment in, and any transactions with, the joint ventures have been appropriately disclosed in accordance with IAS 28. The investments were found to have been correctly classified as joint ventures and had been accounted for in accordance with IAS 28. The Director's assessment of the recoverable value of the investment in the joint ventures was challenged and found to be reasonable and significantly in greater than the carrying value of the investment in joint ventures as at 31 December 2020. Disclosure made in respect of the investment in joint ventures were found to be accurate and in accordance with IAS 28.

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 Group 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 Group 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 Group 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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Directors. We considered the event of compliance with those laws and regulations as part of our procedures on the related financial statement items. We communicated laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.
- 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:
 - Discussions with Management regarding compliance with laws and regulations by the Company and all components;

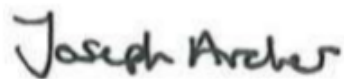
- Reviewing board minutes; and
- Review of regulatory news announcements made.

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 dated 24 May 2021. 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

15 Westferry Circus
Canary Wharf
London E14 4HD

30 June 2020

5.2 Consolidated Income Statement

For the year ended 31 December 2020

	Note	12 months to 31-Dec-20 (USD)	18 months to 31-Dec-19 (Re-stated) (USD)
Administrative expenses		(633,278)	(1,294,514)
Farm-in costs		(26,022)	(540,423)
Operating loss	6	(659,300)	(1,834,937)
Finance (expense)/gain	9	(58,859)	85,295
Share of loss of joint ventures	11	(181,514)	(311,153)
Impairment of investment in associate	12	-	(2,141,600)
Share of loss of associate	11	-	(4,566)
Impairment of assets	12	-	(82,319)
Derecognition of liabilities	12	-	45,963
Loss before taxation		(899,673)	(4,243,317)
Income tax expense	10	-	(4,085)
Loss for the period		(899,673)	(4,247,402)
Earnings per share:			
Basic and diluted earnings per share (USD cents per share)	20	(0.0023)	(0.0158)

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 2020

	12 months to 31-Dec-20 (USD)	18 months to 31-Dec-19 (Re-stated) (USD)
Loss for the period	(899,673)	(4,247,402)
Exchange difference on translating foreign operations*	87,195	(10,282)
Share of other comprehensive income of associate*	-	100,754
Total other comprehensive income for the period	87,195	90,472
Total comprehensive income for the period	(812,478)	(4,156,930)

* 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 2020

	Note	31-Dec-20 (USD)	31-Dec-19 (Re-stated) (USD)
Non-current assets			
Investment in joint ventures	11	1,677,198	1,600,963
		1,677,198	1,600,963
Current assets			
Trade and other receivables	13	36,656	13,639
Cash and cash equivalents	14	72,836	6,039
		109,492	19,678
Current liabilities			
Trade and other payables	15	(239,616)	(932,984)
Other financial liabilities	16	(176,700)	(134,518)
Derivative financial instruments	16	(202,889)	(121,139)
		(619,205)	(1,188,641)
Net Assets		1,167,485	432,000
Equity			
Issued share capital	20	8,670,780	7,552,662
Unissued share capital	20	793,675	363,830
Reserves		1,436,211	1,349,016
Retained earnings		(9,733,181)	(8,833,508)
Total Equity		1,167,485	432,000

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
30 June 2021


Colin Patterson
Chief Executive Officer
30 June 2021

5.5 Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

	Note	Share Capital (USD)	Unissued Share Capital (USD)	Retained Earnings (USD)	Reserves (USD)	Total Equity (USD)
At 30-Jun-18		3,606,596	1,174,909	(4,318,892)	(71,537)	391,076
Loss for the year		-	-	(4,381,009)	-	(4,389,009)
Other comprehensive income for the period		-	-	-	90,473	90,473
Total comprehensive loss		-	-	(4,381,009)	90,473	(4,290,536)
Shares issued/to be issued (net of expenses)	20	3,946,066	(944,686)	-	-	3,001,380
Share based payments	22	-	-	-	1,330,080	1,330,080
Total transactions with owners		3,946,066	(944,686)	(4,381,009)	1,420,553	40,924
At 31-Dec-19		7,552,662	230,223	(8,699,901)	1,349,016	432,000
Prior year adjustment	24	-	133,607	(133,607)	-	-
At 31-Dec-19 (Re-stated)		7,552,662	363,830	(8,833,508)	1,349,016	432,000
Loss for the year		-	-	(899,673)	-	(899,673)
Other comprehensive income for the period		-	-	-	87,195	87,195
Total comprehensive loss		-	-	(899,673)	87,195	(812,478)
Shares issued/to be issued (net of expenses)	22	1,118,118	429,845	-	-	1,547,963
Total transactions with owners		1,118,118	429,845	(899,673)	87,195	735,485
At 31-Dec-20		8,670,780	793,675	(9,733,181)	1,436,211	1,167,485

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 2020

	Note	12 months to 31-Dec-20 (USD)	18 months to 31-Dec-19 (USD)
Cash flows from operating activities			
Cash paid to suppliers and employees		(235,573)	(568,259)
Net cash used in operating activities		(235,573)	(568,259)
Cash flows from investing activities			
Loans to joint ventures	11	(257,749)	(582,037)
Net cash used in investing activities		(257,749)	(582,037)
Cash flows from financing activities			
Cash received for shares	20	401,119	679,420
Cash received from related parties	16	-	404,860
Cash received from loans	16	159,000	30,973
Net cash from financing activities		560,119	1,115,253
Net increase/(decrease) in cash		66,797	(35,043)
Cash and cash equivalents at the start of the year		6,039	41,082
Cash and cash equivalents at the end of the year		72,836	6,039

There has been significant non-cash transactions relating to the settlement of operating and financial liabilities in the period (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 2020

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 IFRS and International Financial Reporting Interpretations Committee interpretations as adopted by the European Union.

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

New standards and interpretations currently in issue, based on EU mandatory effective dates, for accounting periods commencing on 01 January 2020 are:

Standard	Impact on initial application	Effective date
IFRS 3 (amendments)	Definition of a Business	01 January 2020
IFRS standards (amendments)	References to the Conceptual Framework	01 January 2020
IAS 1 (amendments)	Definition of Material	01 January 2020
IAS 8 (amendments)	Definition of Material	01 January 2020
IFRS 9, IAS 39 and IFRS 7 (amendments)	Interest Rate Benchmark Reform	01 January 2020
IFRS 3 (amendments)	Definition of a Business	01 January 2020
IFRS standards (amendments)	References to the Conceptual Framework	01 January 2020
IFRS 3 (amendments)	Definition of a Business	01 January 2020
IFRS standards (amendments)	References to the Conceptual Framework	01 January 2020
IAS 1 (amendments)	Definition of Material	01 January 2020
IAS 8 (amendments)	Definition of Material	01 January 2020

The Group adopted these at 01 January 2020 – the effect is not material.

Standards in issue but not yet effective

The following 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 2021 or later periods have not been adopted early:

Standard	Impact on initial application	Effective date
IFRS standards (amendments)	Interest rate benchmark reform	01 January 2021
IFRS 3 (amendments)	Business combinations	01 January 2022
IAS 37 (amendments)	Onerous contracts	01 January 2022
IFRS standards (amendments)	2018-2020 annual improvement cycle	01 January 2022
IAS 16 (amendments)	Proceeds before intended use	01 January 2022
IFRS 17	Insurance Contracts	01 January 2023
IFRS 17 (amendments)	Insurance contracts	01 January 2023
IAS 1 (amendments)	Reclassification of liabilities as current or non-current	01 January 2023

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 509,713 inclusive of USD 202,889 of non-cash/fair value liabilities and cash resources of USD 72,836. Since the year end the Group has raised USD 176,600 from the Korean consortium.

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

COVID-19, and the uncertainty over its duration, 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, but note that this indicates the existence of a material uncertainty which may cast significant doubt over the ability of the Group to continue as a going concern. 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.

The auditors have made reference to going concern by way of material uncertainty within their audit report.

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 – the Company announced the Expert determination related to the South Korean projects on 30 November 2020 (refer <https://www.londonstockexchange.com/news-article/BMV/joint-venture-update/14772918>).

3.2 Recoverable value of investments in joint ventures

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 investment in each joint venture, which is compared to the carrying value of each investment in joint venture.

The starting point of the Director's estimation of the recoverable value of the investments in Gubong and Kochang at the year-end was the valuation report completed on 27 November 2020 by an expert, Graeme Robinson. The Directors then considered the projects' developments since the date of this report. The recoverable value estimated for each of the investments was in excess of the carrying value as at 31 December 2020 and thus no associated impairments have been recognised in the year.

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).

3.4 Capitalisation of costs in the joint venture gold projects

Costs are capitalised to the joint venture gold projects which are directly attributable to the development of the mining projects. Estimates and judgements are made when determining whether costs are directly attributable. Employee costs are capitalised based on their job role and time spent developing the project.

Management also consider that the share based payments made to Momentum in relation to milestones achieved subsequent to the establishment of the joint ventures are a cost of investment in the joint ventures, recognised initially at fair value at the date of establishment of the joint venture. The value is not subsequently re-measured as recognised as equity instruments.

4. Accounting Policies

4.1 Consolidation and Goodwill

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.

There is no goodwill in the Group's consolidated statement of financial position.

4.2 Joint Arrangements

Certain Group activities are conducted through joint arrangements in which two or more parties have joint control. A joint arrangement is classified as either a joint operation or a joint venture, depending on the rights and obligations of the parties to the arrangement.

Joint operations arise when the Group has a direct ownership interest in jointly controlled assets and obligations for liabilities. The Group does not currently hold this type of arrangement.

Joint ventures arise when the Group has rights to the net assets of the arrangement. For these arrangements, the Group uses equity accounting and recognises initial and subsequent investments at cost, adjusting for the Group's share of the joint venture's income or loss, less dividends received thereafter. When the Group's share of losses in a joint venture equals or exceeds its interest in a joint venture it does not recognise further losses.

Joint ventures are tested for impairment whenever objective evidence indicates that the carrying amount of the investment may not be recoverable. The impairment amount is measured as the difference between the carrying amount of the investment and the higher of its fair value less costs of disposal and its value in use. Impairment losses are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised.

4.3 Investment in Associates

Associate companies are companies in which the group has significant influence generally though 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.

4.4 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).

4.5 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 revenue, costs and financing. The Group's presentation 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.

4.6 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.

4.7 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.

4.8 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.

4.9 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.

4.10 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.

4.11 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.

4.12 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 retained earnings, 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.

4.13 Exploration and evaluation costs and farm-in arrangements

Exploration and evaluation costs incurred prior to the achievement of feasibility status are expensed as incurred. These include prefeasibility farm-in costs.

Acquired exploration and evaluation costs and mineral rights are capitalised and are reviewed for impairment cost less any impairment provision.

4.14 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.

4.15 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.

4.16 Warrants

Warrants instruments are classified as derivative financial liability where 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.

4.17 Contingent consideration

Contingent consideration payable in respect of the acquisition of or participation in the joint venture investments is recognised at its fair value. The value is not subsequently re-measured as recognised as equity instruments.

4.18 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 2020

	BVI (USD)	Philippines (USD)	South Korea (USD)	Total (USD)
Administrative costs	(616,114)	(17,164)	-	(633,278)
Farm-in costs	-	-	(26,022)	(26,022)
Finance expense	(58,859)	-	-	(58,859)
Share of loss from associate	-	-	(181,514)	(181,514)
Loss for the period	(674,973)	(17,164)	(207,536)	(899,673)
Other comprehensive income	-	87,195	-	87,195
Total comprehensive loss for the year	(674,973)	70,031	(207,536)	(812,478)

5.2 Statement of Financial Position

For the year ended 31 December 2020

	BVI (USD)	Philippines (USD)	South Korea (USD)	Total (USD)
Investment in joint ventures	-	-	1,677,198	1,677,198
Trade and other receivables	36,656	-	-	36,656
Cash and cash equivalents	66,704	6,132	-	72,836
Total Assets	103,360	6,132	1,677,198	1,786,690
Trade and other payables	(138,369)	(101,247)	-	(239,616)
Other financial liabilities	(176,700)	-	-	(176,700)
Derivative financial instruments	(202,889)	-	-	(202,889)
Net (liabilities)/assets	(414,598)	(95,115)	1,677,198	1,167,485

5.3 Income Statement

For the 18 month period ended 31 December 2019 (Re-stated)

	BVI (USD)	Philippines (USD)	South Korea (USD)	Total (USD)
Administrative costs	(1,239,870)	(54,644)	-	(1,294,514)
Farm-in costs	-	-	(540,423)	(540,423)
Share of loss from joint ventures	-	-	(311,153)	(311,153)
Finance gain	85,295	-	-	85,295
Impairment of investment in associate	-	(2,141,600)	-	(2,141,600)
Share of loss from associate	-	(4,566)	-	(4,566)
Impairment of assets and liabilities	-	(36,356)	-	(36,356)
Income tax expense	-	(4,085)	-	(4,085)
Loss for the period	(1,154,575)	(2,241,251)	(851,576)	(4,247,402)
Other comprehensive income	-	90,472	-	90,472
Total comprehensive loss for the period	(1,154,575)	(2,150,779)	(851,576)	(4,156,930)

5.4 Statement of Financial Position

For the 18 month period ended 31 December 2019

	BVI (USD)	Philippines (USD)	South Korea (USD)	Total (USD)
Investment in joint ventures	-	-	1,600,963	1,600,963
Trade and other receivables	13,639	-	-	13,639
Cash and cash equivalents	3,602	2,437	-	6,039
Total Assets	17,241	2,437	1,600,963	1,620,641
Trade and other payables	(834,679)	(98,305)	-	(932,984)
Other financial liabilities	(134,518)	-	-	(134,518)
Derivative financial instruments	(121,139)	-	-	(121,139)
Net (liabilities)/assets	(1,073,095)	(95,868)	1,600,963	432,000

6. Loss for the Period Before Tax

	12 months to 31-Dec-20 (USD)	18 months to 31-Dec-19 (USD)
Loss for the period has been arrived at after charging the following under administrative expenses:		
Auditors' remuneration – current period	31,500	90,703
Auditors' remuneration – previous period	17,552	-
Directors' remuneration	264,931	428,526
Staff costs	92,259	179,676
Prospectus costs	-	110,934
Share based payments	61,877	65,641

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-20			18 months to 31-Dec-19		
	Payable in Cash (USD)	Payable in Equity (USD)	Total (USD)	Payable in Cash (USD)	Payable in Equity (USD)	Total (USD)
Directors remuneration	-	264,931	264,931	93,766	334,760	428,526
Key management personnel	-	74,462	74,462	11,521	139,219	150,740
Other staff costs	17,797	-	17,797	19,936	-	19,936
Total remuneration	17,797	339,393	357,190	125,223	473,979	599,202

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

Directors and key management personnel have agreed to take all fees between May 2019 and December 2020 as equity post period end. The equity was issued in June 2021 (refer note 25 of the audited financial statements).

8. Average Number of Employees

	12 months to 31-Dec-20 (USD)	18 months to 31-Dec-19 (USD)
Directors	5	5
Management and Administration	2	2
Mining, Processing and Exploration staff	1	5
	8	12

9. Finance Expense/(Gain)

	12 months to 31-Dec-20 (USD)	18 months to 31-Dec-19 (Re-stated) (USD)
Loan interest	-	48,747
Amortisation of loan costs	-	122,771
Fair value movement	58,859	(256,813)
	58,859	(85,295)

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 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.

MRL Gold Inc had an income tax liability of USD 4,085 at 31 December 2019, which was derived from the derecognition of liabilities:

	12 months to 31-Dec-20 (USD)	18 months to 31-Dec-19 (USD)
Current tax charge	-	4,085

The tax charge for the period can be reconciled to the loss per the income statement as follows:

	12 months to 31-Dec-20		18 months to 31-Dec-19 (Re-stated)	
	Corporation Tax Rate	(USD)	Corporation Tax Rate	(USD)
Profit/(loss) before taxation				
BVI	0.0%	(678,083)	0.0%	(1,154,575)
Philippines	25.0%	(14,054)	30.0%	(2,241,251)
South Korea	25.0%	(207,536)	25.0%	(851,576)
Tax losses carried forward not recognised as a deferred tax asset	6.8%	(899,673)	20.8%	(4,247,402)

11. Investments

11.1 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 before consolidation adjustments is shown below:

	31-Dec-20 (USD)	31-Dec-19 (USD)
Non-current assets		
Deferred exploration costs	19,978,354	18,962,032
Current liabilities		
Trade and other payables	(20,390,738)	(19,333,566)
Net liabilities	(412,384)	(371,534)
Equity		
Issued Capital	129,863	124,019
Retained Earnings	(542,247)	(495,553)
Total Equity	(412,384)	(371,534)

Variances from 31 December 2019 to 31 December 2020 relate to FX differences

	12 months to 31-Dec-20 (USD)	18 months to 31-Dec-19 (USD)
Investments – EGPI		
Opening balance	-	2,045,412
Share of (loss)/profit	-	(4,566)
Impairment	-	(2,141,600)
Share of other comprehensive profit	-	100,754
Closing balance	-	-

Losses for the year ended 31 December 2020 were USD Nil (2019, USD 11,415). The Batangas asset was fully impaired in the period ended 31 December 2019 (refer note 12 of the audited financial statements).

11.2 Investments in Joint Ventures – Gubong Project JV Co Pte Ltd

Summarised financial information in respect of the Group's 50% JV interest in Gubong Project JV Co Pte Ltd, which is the 100% owner of the South Korean Gubong Project Co Ltd is set out below. The summarised information represents amounts shown in the JV company'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 the Gubong Project companies before consolidation adjustments is shown below:

	31-Dec-20 (USD)	31-Dec-19 (USD)
Non-current assets		
Tenements	1,050,663	990,069
Mine Development	286,915	182,371
Property Plant & Equipment (Net)	-	3,683
	1,337,578	1,176,123
Current assets		
Cash	1,097	33,796
Receivables	16,236	8,804
	17,333	42,600
Current liabilities		
Trade and other payables	(1,847,803)	(1,562,713)
Net liabilities	(492,892)	(343,990)
Equity		
Issued Capital	2	2
Retained Earnings	(518,277)	(344,677)
Reserves	25,383	685
Total Equity	(492,892)	(343,990)

	12 months to 31-Dec-20 (USD)	18 months to 31-Dec-19 (USD)
Investments – Gubong Project		
Opening balance	756,148	-
Advances to JV company	73,086	263,446
Cost of JV participation rights*	-	665,040
Share of loss	(86,800)	(172,338)
Closing balance	742,434	756,148

* The cost of JV participation rights relates to the share based payments to be made to Momentum – refer note 22.

Losses for the period ended 31 December 2020 were USD 173,600 (2019, USD 344,677). USD 86,800 (2019, USD 172,388) has been included in the Group's results in relation to the Group's 50% ownership of the company.

The Company acquired the other 50% of the South Korean companies in June 2021 (refer note 25 of the audited financial statements).

11.3 Investments in Joint Ventures – Kochang Project JV Co Pte Ltd

Summarised financial information in respect of the Group's 50% JV interest in Kochang Project JV Co Pte Ltd, which is the 100% owner of the South Korean registered Geochang Project Co Ltd is set out below. The summarised information represents amounts shown in the JV company'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 the Kochang Project companies before consolidation adjustments is shown below:

	31-Dec-20 (USD)	31-Dec-19 (USD)
Non-current assets		
Tenements	1,044,332	984,104
Mine Development	208,465	124,613
	1,252,797	1,108,717
Current assets		
Cash	25,955	74,660
Receivables	9,892	8,181
	35,847	82,841
Current liabilities		
Trade and other payables	(1,728,145)	(1,472,923)
Net liabilities	(439,501)	(281,365)
Equity		
Issued Capital	2	2
Retained Earnings	(467,057)	(277,629)
Reserves	27,554	(3,738)
Total Equity	(439,501)	(281,365)

	12 months to 31-Dec-20 (USD)	18 months to 31-Dec-19 (USD)
Investments – Kochang Project		
Opening balance	844,815	-
Advances to JV company	184,663	318,591
Cost of JV participation rights*	-	665,039
Share of loss	(94,714)	(138,815)
Closing balance	934,764	844,815

* The cost of JV participation rights relates to the share based payments to be made to Momentum – refer note 22.

Losses for the period ended 31 December 2020 were a loss of USD 189,428 (2019, USD 277,629). USD 94,714 (2019, USD 138,815) has been included in the Group's results in relation to the Group's 50% ownership of the company.

The Company acquired the other 50% of the South Korean companies in June 2021 (refer note 25 of the audited financial statements).

12. Impairment of Assets and de-recognition liabilities

	12 months to 31-Dec-20 (USD)	18 months to 31-Dec-19 (USD)
Provision of debtors – White Tiger Mineral Resources Inc	-	(82,319)
De-recognition of liabilities – MRL Gold Inc	-	45,963
Impairment of assets – Egerton Gold Philippines Inc	-	(2,141,600)
	-	(2,177,956)

13. Trade and Other Receivables

	31-Dec-20 (USD)	31-Dec-19 (USD)
Trade and other receivables	3,030	3,030
Prepayments	33,626	10,609
	36,656	13,639

14. Cash and Cash Equivalents

	31-Dec-20	31-Dec-19
	(USD)	(USD)
Cash at bank	72,836	6,039

15. Trade and Other Payables

	31-Dec-20	31-Dec-19
	(USD)	(USD)
Trade and other payables	208,116	905,766
Accruals	31,500	27,218
	239,616	932,984

16. Other Financial Liabilities

16.1 Other Financial Liabilities

	31-Dec-20	31-Dec-19
	(USD)	(USD)
Loan notes issued to related parties	-	28,545
Loan notes issued to non-related parties	-	105,973
Funds received from Korean consortium	176,700	-
	176,700	134,518

16.2 Derivative financial instruments

	31-Dec-20	31-Dec-19
	(USD)	(USD)
Derivative financial instruments – warrants	202,889	121,139
	202,889	121,139

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

16.3 Loans

In August 2019, the Company entered into short-term loan arrangements with shareholders for USD 35,833 to meet the Company's short-term working capital requirements. The loans carried an 8% pa coupon, to be settled in equity. The loans were converted to equity in the year ended 31 December 2020.

16.4 Reconciliation of Liabilities arising from Financing Activities

For the year ended 31 December 2020

	Current Other Financial Liabilities (USD)	Derivative financial instruments (USD)	Total (USD)
At 30 June 2018	560,220	438,677	998,897
Cash Flows	435,833	-	435,833
Non-cash flows:			
Warrant costs	(63,504)	63,504	-
New warrants	-	38,988	38,988
Other loan issue costs	(34,500)	-	(34,500)
Amortisation of loan costs	122,771	-	122,771
Settlement through issue of shares	(881,362)	(182,245)	(1,063,607)
Fair Value Changes	(4,940)	(237,785)	(242,725)
At 31 December 2019	134,518	121,139	255,657
Cash Flows	176,700	-	176,700
Non-cash flows:			
Settlement through issue of shares	(134,518)	-	(134,518)
Fair Value Changes	-	81,750	81,750
At 31 December 2020	176,700	202,889	379,589

16.5 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 15,384,615 warrants issued during the financial period (2019, 26,626,920).

	Weighted Average Exercise Award						
	1.30p	2.00p	2.50p	3.00p	3.50p	4.00p	5.75p
Outstanding at 30 June 2018	-	-	-	-	-	6,460,000	5,912,707
Issued in 2018/2019	-	4,900,000	4,750,000	2,200,000	2,325,000	9,951,920	2,500,000
Lapsed in 2018/2019	-	-	-	-	-	(6,460,000)	(154,783)
Outstanding at 31 December 2019	-	4,900,000	4,750,000	2,200,000	2,325,000	9,951,920	8,257,924
Issued in 2020	15,384,615	-	-	-	-	-	-
Converted in 2020	(12,692,308)	(3,385,898)	(1,500,000)	(1,221,005)	-	-	-
Lapsed in 2020	-	(1,514,162)	(3,250,000)	(978,995)	(2,325,000)	(9,951,920)	(2,500,000)
Outstanding at 31 December 2020	2,692,307	-	-	-	-	-	5,757,924
Exercisable at 31 December 2020	2,692,307	-	-	-	-	-	5,757,924

The 2,692,307 warrants at 1.30p expire in March 2022. The 5,757,924 warrants at 5.75p were issued at the April 2016 prospectus and have no expiry date.

The warrants outstanding at 31 December 2020 include the following items held by Related Parties:

	Weighted Average Exercise Award						
	1.30p	2.00p	2.50p	3.00p	3.50p	4.00p	5.75p
Colin Patterson and related party	-	-	-	-	-	-	5,757,924

The following warrants were issued in connection with the Company's capital raising activities in 2020:

Number	Exercise price	Expiry date
15,384,615	1.30p	20 March 2022

16.6 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-20		31-Dec-19	
	Number	(USD)	Number	(USD)
Issued in April 2016 and outstanding	5,757,924	110,926	5,757,924	36,558
Issued in year ended 30 June 2018 and outstanding	-	-	-	-
Issued in period ended 31 December 2019 and outstanding	-	-	26,626,920	84,581
Issued in period ended 31 December 2020 and outstanding	2,692,307	91,963	-	-
Derivative financial instruments – issued	8,450,231	202,889	32,384,844	121,139
Derivative financial instruments – unissued	-	-	-	-
Derivative financial instruments – warrants	8,450,231	202,889	32,384,844	121,139

The warrants were fair valued using a Black Scholes model, based on the following parameters – risk free rate 2.1%, volatility of 73% for 3 years and 50% for 1 year.

17. Financial Instruments

17.1 Financial Assets measured at Amortised Cost

	31-Dec-20 (USD)	31-Dec-19 (USD)
Trade and other receivables	3,030	3,030
Cash and cash equivalents	72,836	6,039
	75,866	9,069

17.2 Financial Liabilities measured at Amortised Cost

	31-Dec-20 (USD)	31-Dec-19 (USD)
Trade and other payables – current	239,616	932,984
Trade and other payables – non-current	-	-
Other financial liabilities	176,700	134,518
	416,316	1,067,502

17.3 Derivative financial instruments measured at Fair Value

	31-Dec-20 (USD)	31-Dec-19 (USD)
Derivative financial instruments – warrants	202,899	121,139
	202,899	121,139

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 put option and shares acquired in Southern Gold Limited were classified as a Level 1 financial instrument as the value of the option at the period end is determined by reference to the quoted share price of Southern Gold and a fixed monetary amount.

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 208,116 are due on demand and loans from the Korean consortium of USD 176,700 are due to be repaid from gold production by the Company.

As disclosed in the going concern statement in note 2, the Group is actively addressing the requirement to manage the funds it is able to generate as well as to raise new financing to fund corporate and 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-20	31-Dec-19
	(USD)	(USD)
US Dollars	26,615	1,070
Sterling	40,089	2,532
Philippine Pesos	6,132	2,437
	72,836	6,039

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:

	31-Dec-20	31-Dec-19
Financial Assets	(USD)	(USD)
US Dollars	29,645	1,070
Sterling	40,089	13,140
Philippine Pesos	6,132	5,468
	75,866	19,678

Financial Liabilities – Current	31-Dec-20 (USD)	31-Dec-19 (USD)
Sterling	17,693	147,103
US Dollars	468,765	942,357
Philippine Pesos	101,247	99,181
	587,705	1,188,641

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;
- Retained surplus/accumulated losses – comprise the Group's cumulative accounting profits and losses since inception.

19. Share Based Payments

19.1 Issued Shares

	12 months to 31-Dec-20 Number	18 months to 31-Dec-19 Number
Non-related parties	5,000,000	1,985,999
Momentum Resources Ltd: March 2017 Agreement	-	24,000,000
	5,000,000	25,985,999

The 24,000,000 were shares issued under the June 2019 Prospectus to Momentum Resources Ltd in settlement of three out of five milestones achieved under the March 2017 agreement between the companies at a fair value of USD 714,867 (refer note 22 of the audited financial statements).

Other share based payments for the year ended 31 December 2020 were USD 61,877 (2019, USD 65,641).

20. Share Capital

20.1 Issued Share Capital

	12 months to 31-Dec-20		18 months to 31-Dec-19	
	Number	USD	Number	USD
Opening Balance	366,001,617	7,552,662	215,173,938	3,606,596
Shares issued in the period (net cash)	19,568,379	401,119	22,122,471	679,420
Share issue costs – warrants	-	-	-	(38,500)
Share based payments	5,000,000	61,877	1,985,999	65,641
Momentum Resources Limited	-	-	16,000,000	506,954
Transfer from unissued share capital	-	-	39,032,560	1,115,478
Settlement of liabilities	22,845,462	735,693	49,511,529	1,431,310
Salary sacrifice	-	-	6,300,930	185,763
Treasury shares	(15,768,052)	-	15,874,190	-
Closing Balance	397,647,406	8,751,351	366,001,617	7,552,662

The shares have no par value.

Treasury shares were issued at the June 2019 prospectus to the Company itself at nil value. These have been transferred in the year to other parties to settle debt and raise funds.

20.2 Unissued Share Capital

	12 months to 31-Dec-20		18 months to 31-Dec-19 (Re-stated)	
	Number	USD	Number	USD
Salary Sacrifice	23,480,530	763,396	13,595,747	363,837
	23,480,530	763,396	13,595,747	363,837

Directors and key management personnel have agreed to take all fees between May 2019 and December 2020 as equity post period end. The equity was issued in June 2021 (refer note 25 of the audited financial statements).

20.3 Earnings Per Share

	12 months to 31-Dec-20 (USD)	18 months to 31-Dec-19 (Re-stated) (USD)
Basic and diluted earnings per share	(0.0023)	(0.0158)
Loss used to calculate basic and diluted earnings per share	(899,673)	(4,247,402)
Weighted average number of shares used in calculating basic and diluted and earnings per share	385,087,402	266,565,515

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 period.

In 2020 and 2019, 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

At 31 December 2020 the following had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares.

	Number	%
Rene Nominees (IOM) Limited	105,871,340	26.7%
Fiske Nominees Limited	96,566,579	24.4%
Hargreaves Lansdown (Nominees) Limited	32,551,662	8.2%
Jim Nominees Ltd	31,241,804	7.9%
Interactive Investor Services Nominees Limited	19,120,790	4.8%

21. Related Party Transactions

21.1 Amounts Due to Related Parties

	12 months to 31-Dec-20 (USD)	18 months to 31-Dec-19 (USD)
Aidan Bishop	-	82,484
Charles Barclay	-	246,804
Colin Patterson	-	46,698
Jonathan Morley-Kirk	-	33,664
Clive Sinclair-Poulton	-	21,017
Momentum Resources Ltd (Loan Notes)	-	23,685
	-	454,252

Directors and key management personnel have agreed to take all fees between May 2019 and December 2020 as equity post year end. The equity was issued in June 2021 and thereby shown as Unissued Share Capital rather than Trade and Other Payables in the year ended 31 December 2020 – refer note 25 of the audited financial statements (2019, represented by USD 446,126 of the balance shown).

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

Loans and warrants – refer note 16 of the audited financial statements

22. Contingent consideration

In March 2017 the Company entered into an agreement with Momentum Resources Limited, a related party, to issue up to 80 million shares to acquire Momentum Resources Limited's joint venture participation rights in respect of the Gubong and Kochang gold projects. The shares are issued in accordance with agreed milestones up to first gold production and the first four milestones for the issue of 32 million shares had been achieved by 31 December 2019.

Following the signing of the Gubong joint venture agreement on 17 August 2018 the Momentum agreement requires the Group to issue a further 48 million shares, 50% on commencement of funding for construction and 50% on pouring first gold. These share based payments represent a cost of investment in the joint ventures and IFRS require their fair value to be recognised as a cost of investment at the date of signing the formal joint venture agreement. In assessing the fair value of the share based payment the Board has considered the probability of the shares being issued, which in turn requires an assessment of underlying risks associated with the projects including, permitting,

funding and execution risks. The resulting cost of investment of USD 1,330,079 was allocated equally between the Gubong and Kochang investments and included in Reserves within equity in the period ended 31 December 2019.

23. Capital Commitments

At 31 December 2020 the Group had entered into no contractual commitments for the acquisition of property, plant and equipment.

24. Prior Period Adjustment

Since the approval of the previous consolidated financial statements, Management identified a prior period error, for which adjustments have been made, related to misstatement of unissued share capital at 31 December 2019.

The prior period adjustments processed have had the following impacts on the prior periods' consolidated statement of comprehensive incomes and consolidated statement of financial positions:

- unissued share capital for the period ended 31 December 2019 was increased by USD 133,607 to USD 368,830;
- loss for the period ended 31 December 2019 was decreased by USD 133,607 to USD 4,247,402; and
- finance expenses for the period ended 31 December 2019 were decreased by USD 133,607 to become a gain of USD 85,295.

This prior period error does not impact the prior period's opening balances.

25. Events After the Reporting Date

On 22 February 2021 the Company updated the market on the non-dilutive funding from the Korean consortium – Auric Network Ltd who are advised by Seoul based Diiant Co Ltd. The funding is a prepayment for gold at a 20% discount to the market price of gold at the time of delivery where Auric Network, in partnership with Mine Foundation, have created an innovative financing mechanism where they have created a digital token, using blockchain technology, that is linked to the delivery of gold from the South Korean mines. This is the first time that digital tokens have been used to finance the development of a gold mine in South Korea.

On 29 June 2021 the Company announced that it had executed an agreement to increase its ownership to 100% in the Gubong and Kochang 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 for the Acquisition is the issuance of up to a maximum of 200,000,000 BMV shares at GBP 0.036 per share (the "Consideration Shares"). The Company has issued an initial 50,000,000 shares (the "Headroom Shares") to Southern Gold. The Company may further elect to pay USD 7,500,000 in cash, or partly in cash, if it is considered more advantageous than issuing the full remaining balance of the Consideration Shares. This requires the publication of a prospectus that is expected to take up to six

months. Upon completion of the Acquisition, BMV will own 100% of the Gubong and Kochang gold projects.

On 29 June 2021 the Company announced that it had issued 19,834,713 Salary Sacrifice Shares that represents the past two years of salary sacrificed by management and directors in order to both conserve cash and focus cash on the progression of the South Korean projects.

Issued share capital after the 29 June 2021 issuances are represented by:

	Number	%
Aidan Bishop*	66,320,297	14.2%
Charles Barclay	14,936,612	3.2%
Jonathan Morley-Kirk	4,225,566	0.9%
Colin Patterson*	72,753,228	15.5%
Clive Sinclair-Poulton**	1,398,682	0.3%
Graeme Fulton	5,546,690	1.2%
Stuart Kemp	9,660,216	2.1%
Total PDMR	174,841,291	37.4%
International Gold PTE Limited (Southern Gold Limited)	50,000,000	10.7%
Momentum Resources Limited	34,209,117	7.3%
Other	208,431,711	44.6%
Total Non-PDMR	292,640,828	62.6%
Total Issued Shares	467,482,119	100.0%

* Issued to a related party

** Issued to a non-related party

26. 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	
			2020	2019
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	50%	50%
Kochang Project JV Co PTE Ltd**	South Korea Gold Projects	Singapore	50%	50%

* 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 the other 50% of the South Korean companies in June 2021 (refer note 25 of the audited financial statements).