

SIDNEY RESOURCES CORPORATION JUNE 2018 UPDATE

Prepared by Dan Hally, Vice President of Operations

The Board of Directors raised \$125,000.00 through the sale of 50 million shares of restricted common stock for the purpose of continuing exploration and development work at the Lucky Ben Mine.

The Board of Directors and the Board of Directors for Merger Mines Corporation have entered into a joint agreement with Energy Capital Funding Group, LLC located at 600 27th St Suite 5163 Vienna WV 26105 for the purpose of raising the necessary capital to complete the Sidney Resources Corporation gold and silver mine property and exploration projects and the Merger Mines Corporation Merger Miner project forward. The Board of Directors for Sidney Resources Corporation and the Board of Directors for Merger Mines Corporation are in discussions to complete a formal Joint Venture Project in which Merger Mines Corporation will field test and ultimately deploy the Merger Miner technology for mining operations on properties being explored and developed. A full funding proposal has been submitted to potential funders but no timeline for final approval is available at this time.

This season we are moving forward with a large scale trenching and sampling project of the vein structure for the length of the patented claims. A small scale trenching project completed by Goldstone Company in 1984 near the portal of the 6570 level adit revealed a 1.5 foot wide quartz vein grading 2.12 oz/ton gold and filling a steeply dipping fracture within quartz monzonite which is strongly altered for 2 to 3 feet on either side of the vein where it assays 0.056 oz/ton gold. These values would therefor produce a weighted average grade of 0.57 oz/ton over a minded width of 6.0 feet. At a gold price of U.S. \$1300 per ounce, the in ground value of the material would be \$741 per ton. The purpose of the trenching project is to provide a significant sampling from one side of the structure.

Sampling will also be completed on numerous small dumps located at sites where early exploration work was completed throughout the claims. Sampling work done by Goldstone Company in 1984 produced assay values ranging from 0.2 to 10.4 ounces per ton silver and 0.1 to 13.05 ounces per ton gold. The new and significantly more extensive sampling of prior workings at dump locations will provide a second side of sampling on the known vein structure.

All of the sampling work will be GPS located and mapped. Additional mapping work is planned for this summer as we continue to complete exploration and necessary development work.

We are pleased to announce Jason Owen from Australia will be visiting the property in July and will spend a several weeks on site. Mr. Owen has over 25 years of experience in mining, both underground and open pit. He specializes in operational planning and safety planning. He has served as a superintendent on large mining projects around the globe. When Mr. Owen reviewed geological data he was provided by Dan Hally, he offered to pay his own travel expenses and not charge for his time this season because of the potential he sees in this project. He describes it as one of the most exciting projects he has reviewed and from his

vast mining experience he stated it is a project of a life time. In addition to providing his expertise on the ground this summer, Mr. Owen is working to locate overseas investors to provide the additional funding necessary to complete the planned exploration and development work on the Lucky Ben and to secure 5 additional properties that have been identified as being previously high producing gold and silver properties when they were in operation.

The third phase of work to be completed this summer is locating and planning of drill pads for future drilling projects. Management has taken great care to work with experts in mining to develop a plan that is well thought out and provides the best odds of success in the long term. The experts who have extensive experience not only in mining, but in the Warren District of Idaho have helped us identify the most important requirement at this time is to raise the necessary capital to supplement the sampling of the resource blocks to determine the mineralization distribution, the mining width grade distribution, the variability of gold mineralization, the presence or not of erratic gold distribution and the consistency of gold: silver ratios. To achieve the sampling density needed to determine if resources can be estimated will require series of sampling exercises along drifts, in raises, on surface in trenches or outcrops and in between surface and levels by drilling. Channel samples should be spaced as close as 6 feet apart until sufficient confidence and statistical continuity can be demonstrated to allow estimation of a minimum sample spacing interval to give confidence to the average. The Company is committed to ensuring sampling must be undertaken by experienced personnel with appropriate security, quality control and documentation.

The highest priority at this time is to outline adequate resources to allow a mine plan to be developed to be incorporated into a feasibility study and financial model to demonstrate the economic viability of mine development and operation for each identified mine property. As many sections as possible of mineralized drifts that can be accessed should be rehabilitated and then completely re-sampled at regular spaced intervals, 6 feet being recommended. Ground conditions may make this a difficult task without some support from a team of miners and therefore that has been budgeted with the underground sampling program to plan for future efforts to raise capital. The down dip extension of the shoots should then be probed by diamond drilling from underground as the angle of dip of the vein relative to the hillside slope makes surface drilling impractical at some locations. This will require driving cross cuts into the hanging wall of the veins to establish stations from which multiple short core holes can be drilled. This detailed sampling phase should target drill spacing of about 25 feet along strike and down dip as a grid of the density to provide the required confidence in the resources. Drilling as the primary method of sampling rather than drifting is recommended as it obviates the problems of the mine openings being subsequently destroyed by the swelling clays at some locations. Given the swelling clay conditions in the exposed vein faces future development should not be in the vein but in the hanging wall. Drillers must take great care to ensure maximum core recovery through the vein zones.

Fifteen cross cuts into the hanging walls have been identified as necessary expenses in future efforts to raise capital. These will allow fan diamond drilling down to 400 feet below any known previous development and mining. In each cross cut a diamond drill station should be established at the end and half way point. From each station fans of four holes can be drilled

at -45, -60, -75 and -90 degrees with three fans from each station with the fans offset from each other by 10 – 15 degrees. The total number of holes will be reduced by those not drilled due to the number of upper elevation ones which will intersect existing mined areas. This will require of the order of 6,000 feet of core drilling per cross cut for an overall total of 90,000 feet. Assuming drilling achieves 200 feet per day and two rigs are used the drilling will require approximately 450 days for execution. To reduce drilling time the Company has identified the need for capital to sustain five drilling rigs to be deployed simultaneously to reduce the time required to drill to approximately 90 days in order to complete drilling in a single mining season. The budget for this aspect of the operations includes costs for rental of additional, generators and compressor capacity to supplement the equipment to be moved onsite.

The Board of Directors of Sidney Resources Corporation has spent the past 12 years investigating historical reports and production records and has identified five additional mine property groups with a history of high grade gold and silver ore production with records indicating rates of production from .05 ounces of gold per ton of ore to 7 ounces of gold per ton of ore and up to 30 ounces of silver per ton of ore. The Board of Directors is currently in discussions with the property owners of these identified properties to secure leases.

During the past summer season, work completed on site included necessary road improvements to the Arlise Gulch Road. A video assessment was completed of the open raise for the length of the structure at a length of approximately 227 feet. The remote camera work allowed for an assessment of the debris located within the tunnel structure at the intersection of the tunnel and the raise.

Work was delayed due to permitting and safety plan requirements to be filed with the Mine Safety and Health Administration. Initial plans were for an above ground operation but due to the required work load underground a determination was made by the Mine Safety and Health Administration that a full underground safety and operational plan would need to be filed and approved prior to any work commencing on site at the Lucky Ben Property. Work has begun on drafting a full underground operational plan and safety plan in order for work to commence as soon as access is available when the snow melts and the roads are accessible.

Additional administrative work is being done in the area of road permits to ensure access via the Arlise Gulch Road and work is being done on permits to complete an alternative access route across U.S. Forest Service Property.

Claim maintenance work was completed with survey work and re-staking of existing claims was completed and three additional unpatented claims were staked and filed with Idaho County and the U.S. Bureau of Land Management.

The Board of Directors has also begun negotiations to extend the lease for the Lucky Ben Properties and additional 5 years beyond when the lease is currently scheduled to expire at the end of 2019. The Board of Directors has also entered into discussions with additional property owners of historically high producing gold and silver properties in the area.

The Board of Directors is completing a program with the company's stock transfer agent, Pacific Stock Transfer, to provide shareholders with their own log in information providing them access to their share status. I have also started the process with Pacific Stock Transfer that will allow shareholders to have their own access to Pacific Stock Transfer via an online portal. They can view their shares. We are also in the process of being FAST and DWAC approved. This will allow shareholders the ability to convert paper certificates into electronic shares so they can be deposited in online trade accounts.

Work on site was planned to begin two weeks ago but a late spring snow storm in the area delayed the start of work scheduled. Weather has been very wet making it impossible to complete work on site. Work is scheduled for this next week and the long range weather forecasts look positive. Future updates will include large numbers of photographs and once assay results are completed later in the season those results will be made public.