



Sidney Resources Corporation
(An Exploration Stage Company)

Compiled Financial Statements

For the Periods Ended June 30, 2022 and December 31, 2021

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Independent Accountants' Compilation Report

To the Board of Directors
Sidney Resources Corporation
Lewiston, Idaho

Management is responsible for the accompanying financial statements of Sidney Resources Corporation (An Exploration Stage Company) which comprise the balance sheets as of June 30, 2022 and December 31, 2021 and the related statements of income for the three months and six months ended June 30, 2022 and June 30, 2021 and for the period beginning March 4, 2003 (inception) through June 30, 2022, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

CDA-CPA GROUP, PLLP

Coeur d'Alene, ID

August 9, 2022

SIDNEY RESOURCES CORPORATION
(An Exploration Stage Company)
BALANCE SHEETS
JUNE 30, 2022 AND DECEMBER 31 2021

	<u>06/30/22</u>	<u>12/31/21</u>
Assets		
Current Assets:		
Cash	\$ 314,172	\$ 401,061
Prepaid insurance	-	2,314
Prepaid lease	-	11,985
Total Current Assets	<u>314,172</u>	<u>415,360</u>
Property and equipment, at cost:		
Fixed assets	21,373	20,215
Vehicles	<u>11,000</u>	<u>11,000</u>
	32,373	31,215
Less accumulated depreciation	<u>(2,502)</u>	<u>(1,132)</u>
Net property and equipment	29,871	30,083
Other Assets:		
Prepaid mine lease - net of amortization	863,970	980,000
Intangible assets - net of amortization	1,215,000	1,050,000
Security deposit	3,995	3,995
Construction in progress	9,810	9,810
Lease acquisition costs	<u>281,050</u>	<u>281,050</u>
	<u>2,373,825</u>	<u>2,324,855</u>
Total Assets	<u>\$ 2,717,868</u>	<u>\$ 2,770,298</u>

See independent accountants' compilation report and notes to the financial statements.

SIDNEY RESOURCES CORPORATION
(An Exploration Stage Company)
BALANCE SHEETS
JUNE 30, 2022 AND DECEMBER 31 2021

	06/30/22	12/31/21
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 56,300	\$ 60,800
Credit cards due	13,527	13,515
Deposits	37,500	37,500
Accrued payroll	18,938	-
Total current liabilities	126,265	111,815
Stockholders' equity:		
Revenue sharing agreement	115,000	125,000
Warrants - 1,363,012 .0001 per warrant	136	-
Preferred stock - .0001 par value, authorized 10,000,000 shares, none issued	-	-
Common stock - .0001 par value, 500,000,000 shares authorized, 304,197,953 and 3,19,919,688 shares issued and outstanding, respectively	30,420	31,992
Paid in capital	8,980,518	9,655,919
Deficit adccumulatd during the exploration period	(6,534,471)	(7,154,428)
Total stockholders' equity	2,591,603	2,658,483
Total liabilities and stockholders' equity	\$ 2,717,868	\$ 2,770,298

See independent accountants' compilation report and notes to the financial statements.

SIDNEY RESOURCES CORPORATION
(An Exploration Stage Company)
STATEMENTS OF INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021
AND FOR THE PERIOD BEGINNING 3/4/2003 (INCEPTION) THROUGH JUNE 30, 2022

	Three Months Ended		Six Months Ended		Since
	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	Inception
<u>GROSS REVENUE</u>	\$ -	\$ -	\$ -	\$ -	\$ -
<u>EXPENSES</u>					
Advertising	\$ 2,749	\$ 1,295	\$ 3,588	\$ 1,295	\$ -
Bank charges	25	75	75	175	-
Computer and internet	339	72	1,880	1,170	-
Education	200	-	200	-	-
Exploration costs	100,275	69,205	318,024	87,532	687,278
Amortization land lease	70,000	70,000	140,000	140,000	620,000
Depreciation	685	86	1,370	86	47,380
Licenses and fees	114	-	1,824	-	-
Interest and finance charges	176	-	176	-	-
Insurance	7,126	1,216	8,779	1,838	-
Janitorial	368	-	736	-	-
Legal and accounting	11,615	1,440	14,913	2,950	-
Printing and postage	236	308	631	401	-
Office expenses	194	-	194	-	-
Officer wages	40,000	-	70,000	-	70,000
Rent	-	-	11,985	-	-
Professional fees	47,941	1,536	82,340	2,645	-
Research and development	-	-	111,014	-	142,614
Supplies	-	1,151	-	1,151	-
Meals and entertainment	468	-	468	-	-
Taxes	-	22	195	22	-
Taxes - payroll	6,388	-	6,388	-	-
Telephone	807	125	989	373	-
Travel	6,400	-	9,187	-	-
Utilities	-	-	1,380	-	-
Wages	30,000	-	57,480	-	-
Administrative costs	-	-	-	-	7,257,044
Consulting	-	451,500	-	451,500	-
Miscellaneous	11,536	-	16,727	-	-
Total expenses	<u>337,642</u>	<u>598,031</u>	<u>860,543</u>	<u>691,138</u>	<u>8,824,316</u>
Net loss before other income (expenses)	(337,642)	(598,031)	(860,543)	(691,138)	(8,824,316)
<u>OTHER INCOME (EXPENSES)</u>					
Relief of debt	-	-	-	13,420	808,589
Gain (loss) on sale of assets	-	-	-	-	756
Cancelled stock for service	<u>1,480,500</u>	<u>-</u>	<u>1,480,500</u>	<u>-</u>	<u>1,480,500</u>
<u>NET (LOSS) INCOME</u>	<u>\$ 1,142,858</u>	<u>\$ (598,031)</u>	<u>\$ 619,957</u>	<u>\$ (677,718)</u>	<u>\$ (6,534,471)</u>

See independent accountants' compilation report and notes to the financial statements.

SIDNEY RESOURCES CORPORATION
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED JUNE 30, 2022 AND 2021
AND FOR THE PERIOD BEGINNING 3/4/2003 (INCEPTION) THROUGH JUNE 30, 2022

	<u>Six Months</u> <u>6/30/2022</u>	<u>Six Months</u> <u>6/30/2021</u>	<u>Since</u> <u>Inception</u>
Cash flows from operating activities			
Net Income (Loss)	<u>\$ 619,957</u>	<u>\$ (677,718)</u>	<u>\$ (6,534,471)</u>
Adjustments to reconcile net income to net cash provided by operating activities			
Stock exchange from revenue sharing agreement	(10,000)	-	(10,000)
Stock for services	168,487	-	168,487
Stock for services cancelled	(1,480,500)	-	(1,480,500)
Depreciation and amortization	117,400	140,086	589,410
Increase (decrease) in accounts payable	(4,500)	(5,355)	3,336
Increase (decrease) in accrued liabilities	18,950	(451)	32,466
(Increase) decrease in prepaid expenses	14,299	(4,624)	(9,995)
Increase (decrease) in deposits	-	(48,100)	37,500
Total Adjustments	<u>(1,175,864)</u>	<u>81,556</u>	<u>(669,296)</u>
Net cash provided (used) by operating activities	<u>(555,907)</u>	<u>(596,162)</u>	<u>(7,203,767)</u>
Cash flow from investing activities			
Purchase of Intangible Assets	(165,000)	(1,050,000)	(2,896,050)
Gross proceeds on sale of equipment	-	-	30,683
Cash payments for the purchase of property	(1,158)	(1,730)	(64,781)
Net cash provided (used) by investing activities	<u>(166,158)</u>	<u>(1,051,730)</u>	<u>(2,930,148)</u>
Cash flow from financing activities			
Proceeds from issuance of common stock	635,040	2,161,850	10,322,951
Proceeds from issuance of warrants	136	-	136
Proceeds from revenue sharing agreement	-	5,000	125,000
Net cash provided (used) by financing activities	<u>635,176</u>	<u>2,166,850</u>	<u>10,448,087</u>
Net increase (decrease) in cash and equivalents	(86,889)	518,958	314,172
Cash and equivalents, beginning of year	<u>401,061</u>	<u>63,298</u>	<u>-</u>
Cash and equivalents, end period	<u><u>\$ 314,172</u></u>	<u><u>\$ 582,256</u></u>	<u><u>\$ 314,172</u></u>
Supplemental disclosures of cash flow information:			
	<u>6/30/2022</u>	<u>6/30/2021</u>	
Interest Expense	\$ -	\$ -	
Taxes	\$ -	\$ 22	

See independent accountants' compilation report and notes to the financial statements.

SIDNEY RESOURCES CORPORATION

(An Exploration Stage Company)

STATEMENT OF SHAREHOLDERS' EQUITY

For the Period Beginning March 4, 2003 (Inception) through June 30, 2022

	Revenue Sharing Agreement	Warrants	Preferred Stock	Common Stock Shares	Common Stock Amount	Additional Contributed Capital	Deficit Accumulated During Exploration Period	Total
March 4, 2003 Initial								
Captialization	-	-	\$-	8,000,000	\$8,000	\$2,292,322	\$ (2,353,286)	\$(52,964)
Quasi reorganization	-	-	-	-	-	(2,292,322)	2,292,322	-
Stock sales	-	-	-	6,852,500	6,852	644,584	-	651,436
Stock for services	-	-	-	1,212,647	1,213	120,052	-	121,265
Stock for Lease acquisition	-	-	-	500,000	500	49,500	-	50,000
Net loss for the period	-	-	-	-	-	-	(396,261)	(396,261)
Balances at December 31, 2003	-	-	-	16,565,147	16,565	814,136	(457,225)	373,476
Stock sales	-	-	-	785,000	785	97,290	-	98,075
Stock for services	-	-	-	2,514,000	2,514	213,886	-	216,400
Stock for equipment	-	-	-	93,750	94	9,281	-	9,375
Stock warrants exercised	-	-	-	400,000	400	99,600	-	100,000
Net loss for the year ended	-	-	-	-	-	-	(558,876)	(558,876)
Balance at December 31, 2004	-	-	-	20,357,897	20,358	1,234,193	(1,016,101)	238,450
Stock sales	-	-	-	8,550,000	8,550	408,950	-	417,500
Stock for services	-	-	-	1,750,000	1,750	173,250	-	175,000
Net loss for the year ended	-	-	-	-	-	-	(516,401)	(516,401)
Balance at December 31, 2005	-	-	-	30,657,897	30,658	1,816,393	(1,532,502)	314,549
Stock sales	-	-	-	1,420,220	1,420	69,580	-	71,000
Stock for services	-	-	-	660,000	660	32,340	-	33,000
Net loss for the year ended	-	-	-	-	-	-	(250,394)	(250,394)
Balance at December 31, 2006	-	-	-	32,738,117	32,738	1,918,313	(1,782,896)	168,155
Stock sales	-	-	-	2,353,216	2,353	110,337	-	112,690
Stock for services	-	-	-	12,109,000	12,109	593,341	-	605,450
Net loss for the year ended	-	-	-	-	-	-	(764,334)	(764,334)
Balances at December 31, 2007	-	-	-	47,200,333	47,200	2,621,991	(2,547,230)	121,961
Stock sales	-	-	-	2,010,800	2,011	55,584	-	57,595
Stock for services	-	-	-	7,823,000	7,823	226,867	-	234,690
Stock for supplies	-	-	-	275,000	275	7,975	-	8,250
Net loss for the year ended	-	-	-	-	-	-	(425,014)	(425,014)
Balance at December 31, 2008	-	-	-	57,309,133	57,309	2,912,417	(2,972,244)	(2,518)
Stock sales	-	-	-	2,710,000	2,710	34,128	-	36,838
Stock for services	-	-	-	4,440,000	4,440	173,160	-	177,600
Change of Domicile/par value	-	-	-	-	(58,013)	58,013	-	-
Net loss for the year ended	-	-	-	-	-	-	(541,972)	(541,972)
Balance at December 31, 2009	-	-	-	64,459,133	6,446	3,177,718	(3,514,216)	(330,052)
Stock sales	-	-	-	2,862,500	286	52,014	-	52,300
Stock for services	-	-	-	-	-	-	-	-
Net loss for the year ended	-	-	-	-	-	-	(161,122)	(161,122)
Balance at December 31, 2010	-	-	-	67,321,633	6,732	3,229,732	(3,675,338)	(438,874)
Stock sales	-	-	-	14,995,197	1,500	72,623	-	74,123
Stock for services	-	-	-	9,000,000	900	179,100	-	180,000
Net loss for the year ended	-	-	-	-	-	-	(335,842)	(335,842)
Balance at December 31, 2011	-	-	-	91,316,830	9,132	3,481,455	(4,011,180)	(520,593)
Stock sales	-	-	-	-	-	-	-	-
Stock for services	-	-	-	-	-	-	-	-
Net loss for the year ended	-	-	-	-	-	-	(34,086)	(34,086)
Balance at December 31, 2012	-	-	-	91,316,830	9,132	3,481,455	(4,045,266)	(554,679)
Stock sales	-	-	-	600,000	60	5,940	-	6,000
Stock for services	-	-	-	-	-	-	-	-
Net gain for the year ended	-	-	-	-	-	-	780,507	780,507
Balance at December 31, 2013	-	-	-	91,916,830	9,192	3,487,395	(3,264,759)	231,828

See independent accountants' compilation report and notes to the financial statements.

SIDNEY RESOURCES CORPORATION

(An Exploration Stage Company)

STATEMENT OF SHAREHOLDERS' EQUITY (Continued)

For the Period Beginning March 4, 2003 (Inception) through June 30, 2022

	Revenue Sharing Agreement	Warrants Shares	Preferred Stock	Common Stock		Additional Contributed Capital	Deficit Accumulated During Exploration Period	Total
				Shares	Amount			
Balance at December 31, 2013	-	-	-	91,916,830	9,192	3,487,395	(3,264,759)	231,828
Revenue Sharing	\$ 105,000	-	-	-	\$ -	\$ -	\$ -	\$ 105,000
Stock sales	-	-	-	700,000	70	6,930	-	7,000
Stock for services	-	-	-	13,500,000	1,350	113,400	-	114,750
Net Loss for the year ended	-	-	-	-	-	-	(134,759)	(134,759)
Balance at December 31, 2014	105,000	-	-	106,116,830	10,612	3,607,725	(3,399,518)	323,819
Revenue Sharing	20,000	-	-	-	-	-	-	20,000
Stock sales	-	-	-	-	-	-	-	-
Stock for services	-	-	-	-	-	-	-	-
Net loss for the year ended	-	-	-	-	-	-	(75,588)	(75,588)
Balance at December 31, 2015	\$ 125,000	-	-	106,116,830	\$ 10,612	\$ 3,607,725	\$ (3,475,106)	\$ 268,231
Revenue Sharing	-	-	-	-	-	-	-	-
Stock sales	-	-	-	-	-	-	-	-
Stock for services	-	-	-	-	-	-	-	-
Net loss for the year ended	-	-	-	-	-	-	(15,848)	(15,848)
Balance at December 31, 2016	\$ 125,000	-	-	106,116,830	\$ 10,612	\$ 3,607,725	\$ (3,490,954)	\$ 252,383
Revenue Sharing	-	-	-	-	-	-	-	-
Stock sales	-	-	-	24,000,000	2,400	57,600	-	60,000
Stock for services	-	-	-	-	-	-	-	-
Net loss for the year ended	-	-	-	-	-	-	(42,654)	(42,654)
Balance at December 31, 2017	\$ 125,000	-	-	130,116,830	\$ 13,012	\$ 3,665,325	\$ (3,533,608)	\$ 269,729
Revenue Sharing	-	-	-	-	-	-	-	-
Stock sales	-	-	-	24,570,000	2,457	58,968	-	61,425.00
Stock for services	-	-	-	76,000,000	7,600	459,200	-	466,800.00
Net loss for the year ended	-	-	-	-	-	-	(534,126)	(534,126)
Balance at December 31, 2018	\$ 125,000	-	-	230,686,830	\$ 23,069	\$ 4,183,493	\$ (4,067,737)	\$ 263,828
Revenue Sharing	-	-	-	-	-	-	-	-
Stock sales	-	-	-	-	-	-	-	-
Stock for services	-	-	-	-	-	-	-	-
Net loss for the year ended	-	-	-	-	-	-	(32,436)	(32,436)
Balance at December 31, 2019	\$ 125,000	-	-	230,686,830	\$ 23,069	\$ 4,183,493	\$ (4,100,173)	\$ 231,389
Revenue Sharing	-	-	-	-	-	-	-	-
Stock sales	-	-	-	8,000,000	800	199,200	-	200,000
Error in 2017 Stock issue	-	-	-	(1,000,000)	100	100	-	-
Stock for services	-	-	-	30,600,000	3,060	1,951,940	-	1,955,000
Net loss for the year ended	-	-	-	-	-	-	(940,278)	(940,278)
Balance at December 31, 2020	\$ 125,000	-	-	268,286,830	\$ 26,829	\$ 6,334,733	\$ (5,040,451)	\$ 1,446,111
Revenue Sharing	-	-	-	-	-	-	-	-
Stock sales	(5,000)	-	-	20,632,858	2,063	713,286	-	710,350
Error in Prior Year Stock Issue	5,000	-	-	3,000,000	300	(300)	-	5,000
Stock for services	-	-	-	28,000,000	2,800	2,608,200	-	2,611,000
Net loss for the year ended	-	-	-	-	-	-	(2,113,977)	(2,113,978)
Balance at December 31, 2021	\$ 125,000	-	-	319,919,688	\$ 31,992	\$ 9,655,919	\$ (7,154,428)	\$ 2,658,483
Revenue Sharing	-	-	-	-	-	-	-	-
Stock sales	(10,000)	136	-	2,825,173	283	634,757	-	625,176
Error in Prior Year Stock Issue	-	-	-	(40,500)	(4)	4	-	-
Stock for services	-	-	-	793,592	79	168,408	-	168,487
Stock for services cancelled	-	-	-	(19,300,000)	(1,930)	(1,478,570)	-	(1,480,500)
Net loss for the 6 months ended	-	-	-	-	-	-	619,957	619,957
Balance at June 30, 2022	\$ 115,000	\$ 136	-	304,197,953	\$ 30,420	\$ 8,980,518	\$ (6,534,471)	\$ 2,591,603

See independent accountants' compilation report and notes to the financial statements.

Sidney Resources Corporation
(An Exploration Stage Company)
Notes to Financial Statements
June 30, 2022 and December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History

The company was formed in 1896 and incorporated in Idaho on June 10, 1910 as Sidney Mining Company. The purpose of the Company was to develop and mine mineral properties in Idaho State. In the past the Company mined and processed zinc ore and related minerals in the Yreka Mining District in Shoshone County, Idaho.

On March 4, 2003, the Company merged with its wholly-owned subsidiary Sidney Resources Corporation. The Company then changed its name to Sidney Resources Corporation.

In 2003, the company sold 6,852,500 shares common stock at \$.095 per share. The Company also issued 1,212,647 shares of Common stock for services and 500,000 shares for Lease acquisition costs. These shares were valued at \$.10 per share, reflecting the share sales during the year.

In 2004, the Company sold 785,000 shares common stock at \$.125 per share. It issued 400,000 shares of common stock for the exercise of warrants that were issued during 2004. The warrants were exercised at \$.25 per share. It also issued 93,750 shares of common stock for the purchase of equipment and 2,514,000 shares of Common stock for services. These shares were valued at \$.10 per share, reflecting the share sales during the year.

In 2005, the Company sold 8,550,000 shares common stock at \$.05 per share. It also issued 1,750,000 shares of Common stock for services. These shares were valued at \$.05 per share, reflecting their issue early in the year and share sales during the previous year.

In 2006, the Company sold 1,420,220 shares common stock at \$.05 per share. It also issued 660,000 shares of Common stock for services. These shares were valued at \$.05 per share, reflecting the share sales during the year.

In 2007, the Company sold 2,353,216 shares common stock at \$.048 per share. It also issued 12,109,000 shares of Common stock for services. These shares were valued at \$.05 per share, reflecting the share sales during the year.

In 2008, the Company sold 2,010,800 shares common stock at \$.03 per share. It also issued 7,823,000 shares of Common stock for services and 275,000 shares for supplies. These shares were valued at \$.03 per share, reflecting the share sales during the year.

Sidney Resources Corporation
(An Exploration Stage Company)
Notes to Financial Statements
June 30, 2022 and December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In 2009, the Company sold 2,710,000 shares common stock at \$.04 per share. It also issued 4,440,000 shares of Common stock for services. These shares were valued at \$.04 per share, reflecting the share sales during the year.

In 2010 as of December 31, the Company sold 2,862,500 shares common stock at \$.02 per share. It issued no shares of Common stock for services.

In 2011, the Company sold 14,995,197 shares common stock at Market value. It also issued 9,000,000 shares of Common stock for services. These shares were valued at \$.02 per share, reflecting the share sales during the period issued.

For the year ended December 31, 2012 there were no stock transactions for the Company.

In 2013, the Company sold 600,000 shares common stock at \$.01 per share. It issued no other stock.

For the year ended December 31, 2014, the Company sold 700,000 shares common stock at \$.01 per shares. It also issued 13,500,000 shares of Common stock for services valued at \$.0085 per share, reflecting the share price at the time of issue.

For the year ended December 31, 2015 the Company had no stock transactions.

For the year ended December 31, 2016 the Company had no stock transactions.

For the year ended December 31, 2017, the Company issued 24,000,000 shares of common stock at \$.0025.

For the year ended December 31, 2018 the Company issued 24,570,000 shares of common stock at \$.0025 and 76,000,000 shares of common stock for services valued at market.

For the year ended December 31, 2019 the Company had no stock transactions.

For the year ended December 31, 2020 the Company issued 8,000,000 shares of common stock and 30,600,000 shares of common stock for services and prepaid lease valued at market.

Sidney Resources Corporation
(An Exploration Stage Company)
Notes to Financial Statements
June 30, 2022 and December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2021 the Company issued 23,632,858 shares of common stock and 28,000,000 shares of common stock for services, equipment and Mining Technology valued at market.

For the six months ended June 30, 2022 the Company Issued 2,825,173 shares of common stock and 750,000 shares of common stock for Patents and mine records valued at market and 43,592 of common stock for services and cancelled 19,300,000 shares of common stock.

Financial Statement Presentation

The acquisition was treated as a reverse merger whereby the acquired company is treated as the acquiring company for accounting purposes.

An Exploration Stage Company

The Company is an Exploration Stage Company since it is engaged in the search for mineral deposits, which are not in the development or productions stage. As an exploration stage company, the Company will present, since inception, results on its statements of operations, stockholders' equity and cash flows.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are carried at cost. Maintenance, repairs and renewals are expensed as incurred. Depreciation of property and equipment is provided for over their estimated useful lives, which range from five, seven and ten years, using the straight-line method.

Lease Acquisition Costs

Lease acquisition cost of \$281,050 at June 30, 2022 and December 31, 2021, primarily includes costs incurred to build and improve the road on the leased land. Since mining has not commenced, no amortization expense has been recognized for the periods presented. Amortization will be recorded using the units-of-production method when mining begins.

Environmental Liabilities

The Company is subject to a variety of federal and state environmental regulations and agencies. The Company will only accrue liabilities for environmental claims and damages when it is probable, and the costs are estimable.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Research and Development Costs Charged to Expense as Incurred

Expenditures for research activities relating to development and improvement are charged to expense as incurred. Such expenditures amounted to \$85,924 in the three months ended June 30, 2022 and \$266,039 in the six months ended June 30, 2022.

Revenue Recognition

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" (ASU 2014-09) as modified by ASU No. 2015-14, "Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date," ASU2016-08, "Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)," ASU No. 2016-10, "Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing," and ASU No. 2016-12, "Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients." The revenue recognition principle in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

In addition, new and enhanced disclosures will be required. Companies may adopt the new standard either using the full retrospective approach, a modified retrospective approach with practical expedients, or a cumulative effect upon adoption approach. The Company adopted ASU 2014-09 on January 1, 2018, using the modified retrospective approach. Because the Company doesn't have any customer contracts as of January 1, 2018, the adoption of ASU 2014-09 did not have a material impact on the Company's financial position, results of operations, equity or cash flows.

NOTE 2 – INCOME TAXES

The Company Accounts for Income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating losses, and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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NOTE 2 – INCOME TAXES (Continued)

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of the operations in the period that includes the enactment date. Deferred income tax expense (benefit) represents the change during the period in the deferred tax assets and deferred tax liabilities.

The components of the deferred tax assets and liabilities are individually classified as current and noncurrent based on their characteristics. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion of the deferred tax assets will not be realized.

The Company evaluates and accounts for uncertain tax positions in accordance with Accounting Standards Codification (ASC) 740, Income Taxes. ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return as well as guidance on de-recognition, classification, interest and penalties and financial statement reporting disclosures. For these benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement.

The Company is subject to routine audits by taxing jurisdictions, however, there are currently no audits in progress. The Company remains subject to examinations by U.S. Federal and various state authorities for years ending after December 31, 2019.

The Company has no significant differences between book and tax accounting. At June 30, 2022 and December 30, 2021, the Company had an estimated tax loss carry-forward of approximately \$7,600,000 and \$7,000,000. Due to uncertainties as to future profitability, the value of the net operating loss carry forward is fully reserved and no valuation allowance has been booked.

NOTE 3 – MINERAL LEASE INTANGIBLE ASSETS

The Company has a 5-year lease with an option to renew for an unlimited term as long as the Company is conducting underground mining work producing ore. The lease will expire at the end of the five-year period starting the 3rd quarter of 2020, or if the Company fails to do major mining work by the end of December 31 in any year where mining work was not completed. The lease was paid with the issue of 20,000,000 shares of restricted stock. There will be a royalty payment that will be 6% of net smelter returns. The value of the stock is reflected in prepaid expenses.

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NOTE 3 – MINERAL LEASE INTANGIBLE ASSETS

The lease guarantees Sidney Resources Corporation the exclusive rights and options to lease the Lucky Ben Mine Group Properties and mineral rights located within the Warren Mine District of Idaho. The lease will be amortized over 60 months. Amortization for the six months ended June 30, 2022 was \$140,000 and for the year ended December 31, 2021 was \$280,000 and accumulated amortization was \$560,000 at June 30, 2022 and \$420,000 at December 31, 2021.

In the second quarter 2021 the company acquired certain mining technology from Red Beryl Mining Company for 7,000,000 shares of restricted stock valued at \$.15 per share. Amortization will begin when the technology is put into service. In the first quarter 2022 the Company acquired patents and mine records from Merger Mines for 750,000 shares of stock valued at \$.22 per share. Amortization will begin when put into use.

NOTE 4 – RELATED PARTIES

The officers and members of the Board of Directors have received stock and cash as compensation, amounts paid to date was as follows, includes past Directors and Officers:

		<u>Cash</u>	<u>Stock Shares</u>	<u>Stock Value</u>
Balance	1/1/2022	\$ 81,000	99,125,953	\$ 2,514,645
	Additions	70,000	-	-
	Cancelled	-	(19,300,000)	(1,480,500)
Balance	6/30/2022	<u>\$ 151,000</u>	<u>79,825,953</u>	<u>\$ 1,034,145</u>

NOTE 5 – REVENUE SHARING AGREEMENT

During the 4th quarter of 2014 the Company entered into agreements with investors whereby the investor will receive a share of the Company's profit. The investors were limited to \$5,000 investment and a maximum of 140 investors. In exchange for the cash injection the investors will receive .143% of the profits annually that are specific to the Lucky Ben Mine Project. The Company collected no money for the six months ended June 30, 2022 and none during the year ended December 31, 2021. In 2021 A deposit was moved to Revenue Sharing after determining the deposit was for the Revenue Sharing program, and a revenue sharing agreement for \$5,000 was converted into 50,000 shares of common stock. For the period ended June 30, 2022 revenue sharing amounts of \$10,000 was converted into 100,000 shares of common stock.

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NOTE 6 – STOCKHOLDERS’ EQUITY

Revenue Sharing Agreement

See note 5 for information concerning this arrangement.

Common Stock

The Company is authorized at 500,000,000 shares of Common stock, with a par value of \$.0001 per share, authorized as of June 30, 2022 and as of December 31, 2021. An error was corrected decreasing the shares issued by 40,500 for the period ended March 31, 2022 and an error increasing the shares issued by 3,000,000 shares during the year ended December 31, 2021.

During the second period ended June 30, 2022 19,300,000 shares of stock for services was cancelled valued at \$1,480,500 and recorded as increase in other income along with decreases in capital stock and paid in capital of \$1,930 and \$1,478,570 respectively.

There were 304,197,953 shares outstanding as of June 30, 2022 and 319,919,688 outstanding at December 31, 2021.

Preferred Stock

The Company is authorized at 10,000,000 shares of Preferred stock, with a par value of \$.0001 per share, authorized as of June 30, 2022 and December 31, 2021. There were 0 shares outstanding. The unissued shares of Preferred stock may be divided into and issued in designated series from time to time by one or more resolutions adopted by the Board of Directors.

Warrants and Options

In 2004, the Company as part of a Private Placement Offer issued 400,000 warrants with an exercisable price of \$0.25 per share. The warrants were exercised in 2004 for \$100,000. All other warrants issued in connection with this offering have expired. In September 2006, the Board of Directors eliminated the issuance of warrants and options by the Company. In the six months 2022 the Board of Directors issued warrants as part of stock purchases in the amount of 1,363,012 for a value of .0001 per warrant. The warrants were issued one for every two shares purchased in the first quarter.

NOTE 7 – COMMITMENTS

Effective October 1, 2021 the company had entered into a yearly lease for company offices in Coeur d’Alene, Idaho. The lease is for \$3,595 per month, and 3 months were prepaid as of December 31, 2021. At June 30, 2022 there was no prepaid lease.

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NOTE 8 – COMPENSATED ABSENCES AND PROPERTY TAX ACCRUALS

The Company does not compensate for absences and does not have significant personal or real estate property taxes to accrue.

NOTE 9 - GOING CONCERN

The Company has not generated significant revenues or profits to date. This factor among others may indicate the Company will be unable to continue as a going concern. The Company's continuation as a going concern depends upon its ability to generate sufficient cash flow to conduct its operations and its ability to obtain additional sources of capital and financing. Management continues to look for additional capital through stock sales and/or minimum royalty payments on production, minimizing debt load to meet its working capital obligations in 2022 and beyond. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 10 – STOCK-BASED COMPENSATION

At various times during the life of the company it has issued stock for services, supplies and other costs. The company recorded an expense as of average trading value of the stock at the time of issue and an increase in the value of stock. The stock is restricted for one year but has no vesting requirements. For the six months ended June 30, 2022 the company issued 750,000 shares of stock at \$.22 per share for patents and mining records, 43,592 shares for service and for the year ended December 31, 2021 the company issued 20,800,000 shares for services at market value and 7,000,000 shares for mining technology at \$.15 per share and \$200,000 for equipment at \$.06 per share.

During the second quarter of 2022 19,300,000 shares issued to officers & directors was cancelled.

Since inception the Company has issued 141,152,239 shares valued at \$2,951,942 for services, 20,500,000 shares valued at \$1,450,000 for lease acquisition, 293,750 valued at \$21,375 for equipment which was capitalized, 275,000 valued at \$8,250 for supplies, 7,000,000 shares valued at \$1,050,000 for mining technology, and 750,000 shares valued at \$165,000 for patents and mining records.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 9, 2022, the date on which the financial statements were issued.

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NOTE 11 – SUBSEQUENT EVENTS (Continued)

Management has secured an agreement with Raytheon ELCAN for the manufacturing of components for use in developing the company's fiber laser-based mining equipment.

Technology Division

We have filed an additional provisional patent application with the U.S. Patent Office with the legal assistance provided by law offices of Randall | Danskin for a method and the apparatus based on using a commercial, adjustable power level, multi-kW Electromagnetic Radiation source, (fiber laser) to thermally fracture or melt and/or vaporize geologic material normally found in precious metals mining operations. Our engineering team has designed a unit that is configured so that a variety of specialty directional radiation pointing devices and their inherent custom software control are interchangeable for use in various operations such as explosive installation preparation, safety rock bolting operations, drifting, expanding raises and winzes and stope mining. An added usage is for any need to cut/fracture/spall any geologic material in areas such as trenching, foundations, road or dam building and rescue operations. As a fundamental ethos of the leadership of Sidney Resource is a focus in developing companies that are both disruptive and transformative in their industry. That focus includes building partnerships with institutions who have a proven track record of having a similar focus and we are pleased to announce we have reached an agreement with the prestigious Colorado School of Mines for testing of our new laser mining technology. Colorado School of Mines is one of the country's oldest and most distinctive STEM universities and is known for working closely with industry professionals to engineer solutions to the world's most pressing Earth, energy and environment challenges. Specialties are science and engineering, as they apply to the Earth, energy and the environment. Its roughly 6,000 students get a personal and hands-on experience in programs like geological engineering, metallurgical and materials engineering, and petroleum engineering. In 2020 Money Magazine listed CSM as one of the top five engineering schools in the country.

The testing of the new laser mining technology has been coordinated with the assistance of IPG Photonics and will utilize the 4 KW IPG Photonics laser housed at CSM. With the assistance of the team at CSM, our engineering team will test our newly designed unit that is configured so that a variety of specialty directional laser pointing devices and their inherent custom software control are interchangeable for use in various mining operations. Testing will evaluate the ability to cut, fracture, and spall various samples of geologic materials. The patent pending technology is designed for use mining operations such as explosive installation preparation, rock bolting operations, drifting, expanding raises, winzes and stope mining. Testing at the Colorado School of Mines is a major step forward Sidney Resources in their pursuit of technology that will provide tremendous value for not just Sidney Resources itself but for the mining industry as a whole and has the ability to be deployed across multiple verticals. We are exploring additional transformative and disruptive technologies to expand our impact on the mining industry while

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NOTE 11 – SUBSEQUENT EVENTS (Continued)

reducing the impact on the environment. We are committed to protecting the environment and reducing our impact on the Anthropocene, our human centered planet, as a shared passion for our team, and look forward to building additional partnerships with institutions like the Colorado School of Mines that shares these same values.

Lucky Ben

The plan of operations for this coming season at Lucky Ben project location and Warren Idaho area includes the final evaluation of ground near historic high production mines for staking of additional claims. We will evaluate one location near the crew cabin and one at the Lucky Ben site for the placement of temporary portable hydro-generators that could provide continuous power. We plan to continue work to open and explore the existing tunnel with the main target being to clear the area of the next known mining area. We will complete a small diamond drilling program under this area just as we did last year under the first stope as well as other areas identified as being previously mined or as potential targets. We will widen the existing tunnel using a slabbing process, but the tunnel will only be widened to a width of approximately 5 feet. Groundhog Mining and Milling Company has acquired narrow bucket muckers that will allow us to keep the tunnel smaller in size while still being able to remove material. We will secure these areas with additional bolting and support structures as needed. While this work is being done, we are planning to secure a second portal at the next landing below the current adit landing. We plan to construct and secure the new adit and then complete drift work directly on the vein structure we identified as continuing the downward dip through our diamond drilling program completed last year. Groundhog Mining and Milling Company is preparing their mobile assay lab to be moved on location so we can complete daily testing for each round we shoot to determine gold values.

We have identified the area for our contractor to locate their portable mill. Our contractor is in the process of finalizing the permit applications for the use of this equipment. We will have the ability to process development rock (ore) in bulk samples to better determine values of this and other ore bodies as they are identified.

We have been notified by the U.S. Forest Service, McCall Ranger District, that our permit application for the new access road has been approved for the environmental assessment work to be completed. Once we receive final approval, we will plan for construction to begin as soon as is feasible based upon the time of year that approval is obtained. The McCall Ranger District will be issuing the conditional use permit for the existing roads we have been utilizing for operations.

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NOTE 11 – SUBSEQUENT EVENTS (Continued)

Our contractor has moved all equipment and crews on location at the Lucky Ben Project site. Work has begun on opening the existing tunnel and planning is underway for the construction of the new portal located at an elevation below the current tunnel. We anticipate work on the new portal will commence in mid-July.

We will complete the construction of our new storage and office building at the Lucky Ben Project site. This facility will significantly improve our capacity to store equipment on location over the winter months and reduce costs for mobilization and demobilization.

Private Placement

We are continuing to work in good faith with individuals and family offices who made commitments to meet our funding goals of the private placement.