

Merger Mines Corporation
Financial Statements (Unaudited)
For the Quarters Ending
June 30, 2024 and June 30, 2023

Notice

The accompanying unaudited financial statements of Merger Mines Corporation, for the Quarters Ending June 30, 2024, June 30, 2023 have been prepared by management and approved by the Board of Directors of the Company.

These financial statements have not been reviewed or audited by external accountants.

/s/Lex Smith

Lex Smith

President

Merger Mines Corporation
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As of June 30, 2024, and June 30, 2023

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Quarters Ending June 30, 2024, and June 30, 2023

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For the Period January 1, 2024, thru June 30, 2024

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Merger Mines Corporation
Comparative Balance Sheet
As of June 30, 2024 and June 30, 2023

	June 30, 2024	June 30, 2023
Assets		
Current Assets		
Cash and Cash Equivalents	10,047	20,432
Accounts Receivable	<u>0</u>	<u>0</u>
Total Current Assets	<u>10,047</u>	<u>20,432</u>
Other Assets		
Mining Claims	-	-
Investments	165,000	165,000
Notes Receivable	<u>0</u>	<u>0</u>
Total Other Assets	<u>165,000</u>	<u>165,000</u>
Total Assets	<u><u>175,047</u></u>	<u><u>185,432</u></u>
Liabilities and Equity		
Current Liabilities		
Accounts Payable	0	0
Advances Payable	<u>0</u>	<u>0</u>
Total Current Liabilities	<u>0</u>	<u>0</u>
Long Term Liabilities		
None		
Total Liabilities	0	0
Equity		
Common Stock	130,198	130,198
9,500,000 shares authorized and 1,301,981 shares issued at June 30, 2024 and 1,301,981 shares issued at June 30, 2023		
Additional Paid in Capital	2,178,617	2,178,617
Retained Earnings	(2,133,683)	(2,123,298)
Treasury Stock	<u>(85)</u>	<u>(85)</u>
Total Equity	<u>175,047</u>	<u>185,432</u>
Total Liabilities and Equity	<u><u>175,047</u></u>	<u><u>185,432</u></u>

Merger Mines Corporation
Comparative Income Statement
For the Six Months Ended June 30, 2024 and June 30, 2023

	June 30, 2023	June 30, 2023
Gross Income		
Misc Income	0	0
Interest/Dividends		
Total Income	0	0
Operating Expenses		
Professional Fees	700	700
Taxes		30
Property Related Expenses		
Fees - Listing, Claim, Etc	5,580	3,660
Administrative Expenses	252	299
Total Operating Expenses	6,532	4,689
Net Profit (Loss) from operations	(6,532)	(4,689)
Non Operating		
Other Income		22,138
Realized Gain (Loss)		
Net Non Operating Profit (Loss)	0	22,138
Total Net Profit (Loss)	(6,532)	17,449

Merger Mines Corporation
Statement of Cash Flows
For the Quarters Ended June 30, 2024 and June 30, 2023

	June 30, 2024	June 30, 2023
Operating Activities		
Net Income	(6,532)	17,449
Realized Loss - SHSH - Worthless		
Changes in Current Assets	3,600	
Changes in Liabilites		(22,138)
	<u> </u>	<u> </u>
Net Cash from Operating Activities	(2,932)	(4,689)
Investing Activities		
None	<u> 0</u>	<u> 0</u>
Net Cash from Investing Activities	0	0
Financing Activities		
Change in Cash Advances/Gains	<u> 0</u>	<u> 0</u>
Net Cash from Financing Activities	0	0
Change in Cash and Cash Equivalents	(2,932)	(4,689)
Cash - Start of Year	<u> 12,979</u>	<u> 25,121</u>
Cash End of Year	<u><u> 10,047</u></u>	<u><u> 20,432</u></u>

Merger Mines Corporation
Statement of Changes in Stockholders Equity
For the Quarter Ended June 30, 2024

	Common Stock 0.10 Par # of Shares	Dollar Value	Additional Paid In Capital	Retained Earnings	Treasury Stock	Total Stockholders Equity
Balance on January 1, 2024	1,301,981	130,198	2,178,617	(2,127,151)	(85)	181,579
						0
Realized Gains/(Losses)						0
Net Profit (Loss)				(6,532)		(6,532)
Balance at June, 2024	1,301,981	130,198	2,178,617	(2,133,683)	(85)	175,047

Merger Mines Corporation
Notes to unaudited Financial Statements
June 30, 2024

NOTE 1: DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of Business:

Merger Mines Corporation (“the Company” or “Merger”) was chartered in 1929 in the State of Arizona, and then incorporated under the laws of the State of Arizona on February 17, 1938. On September 23, 2020 Merger Mines Corporation converted from an Arizona Foreign Business Corporation to an Idaho General Business Corporation.

Prior to August of 2015, the company was primarily engaged in the acquisition, exploration and development of mineral properties. Then, in August of 2015, the company signed a letter of intent to acquire the intellectual property of Bright Flash Development, Inc., with the acquisition finalized in November of 2015. Since that acquisition Merger aggressively moved forward with engineering high tech equipment that will allow mining companies to harness high power fiber lasers for mining narrow veins deposits of precious metals. During 2020 funding for this development was depleted and additional funds were not raised to continue this project. In October 2021 Merger Mines entered into an agreement with Sydney Resources to sale this Intellectual Property Rights. The transaction closed during the 1st quarter of 2022.

The Company’s year-end is December 31.

Basis of Presentation:

The foregoing unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, these financial statements do not include all of the disclosures required by accounting principles generally accepted in the United States of America for complete financial statements.

The preparation of Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities at the date of the Financial Statements. If in the future such estimates and assumptions, which are based on management’s best judgment at the date of the Financial Statement, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Fair Value Measurements

Topic 820 in the Accounting Standards Codification (ASC 820) defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. ASC 820 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value but does not expand the use of fair value in any new circumstances. In this standard, the FASB clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, ASC 820 establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. The fair value hierarchy is as follows:

- Level 1 inputs — Unadjusted quoted process in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.
- Level 2 inputs — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3 inputs — Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

Investments in available-for-sale securities are reported at fair value utilizing Level 1 inputs. For these investments, the Company obtains fair value from active markets.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and

assumptions are inherent in the preparation of the Company’s financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions, which could have a material effect on the reported amounts of Merger’s financial position and results of operations.

Cash and Cash Equivalents

Cash and cash equivalents consist of commercial accounts and interest-bearing bank deposits with remaining maturities of 90 days or less. As of June 30, 2024 the Company’s cash and cash equivalents consist of \$ 10,047 in cash.

NOTE 3: INVESTMENTS

The Company has invested in various privately and publicly held companies. At this time, the Company holds securities classified as available for sale. Amounts are reported at fair value as determined by quoted market prices, with unrealized gains and losses excluded from earnings and reported separately as a component of stockholders’ equity. The cost of securities sold is based on the specific identification method.

Unrealized gains and losses are recorded on the statements of operations as other comprehensive income (loss) and on the balance sheet as other accumulated comprehensive income.

During the Quarter Ending December 31, 2022 it was determined that Shoshone Silver (SHSH) and other shares held were no longer trading and had become wholly worthless. Thus, there was a recognized loss of 446,031. This eliminated the unrealized loss and market value of SHSH and the other securities.

During the Quarter Ending March 31, 2022, 750,000 shares of Sydney Resources were issued for the purchase of the intellectual property. These shares were issued with a value of \$165,000. These shares have a two year hold on transfer of shares restriction.

The following summarizes the investments as of March 31, 2024:

	Stock			Market
Description of Security	Symbol	Quantity	Cost	Value
Sydney Resources Corporation	SDRC	750,000	165,000	165,000
Total			165,000	165,000

NOTE 4: ACCOUNTS PAYABLE

During the 1st quarter of 2023 it was determined that accounts payable and payroll tax liability had been over estimated, both have been paid in full. This 22,138 was recognized as Other Non-Operating Income.

NOTE 5: COMMON STOCK

The Company is authorized to issue 9,500,000 shares of \$0.10 par value common stock. All shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company.

During the quarter ended March 31, 2022, the company issued 750,000 shares to MMC Holdings Inc. to satisfy the cash advances that had accumulated over several years.

During the quarter ended March 31, 2020 the company issued 127,000 shares of Common Stock at \$0.01 per share to various Directors and Officers for services rendered.

The company has issued 1,301,981 shares.

NOTE 6: PREFERRED STOCK

The Company is also authorized to issue 500,000 shares of \$1.00 par value Preferred Stock. Currently no issues of Preferred Stock have occurred.