



January 18, 2017

Press Release.

COEUR D' ALENE, ID-January 18, 2017 - Merger Mines Corporation of Coeur d'Alene, Idaho is pleased to announce that it has signed an agreement with Groundhog Mining and Milling, LLC of Dillon, Montana to form a working partnership wherein Groundhog will be the prime field operator of the Merger Laser Miner in its mine rock density characterization function.

After characterization parameters are set, Groundhog will act as installer and trainer for purchasers and lessors of the Merger Miner at their respective mine sites. Groundhog will continue its operations as a contract mine operator and will install and operate the Merger Miner for those who purchase or contract for its services.

Groundhog Mining and Milling, LLC, led by Delbert Hunt, is a contract mine operator and an equipment sales and repair company in the Inland Northwest. Field operations for Groundhog Mining are directed by Nathan Hunt. www.groundhogmining.com. Groundhog is a privately held company.

“Signing this agreement with Groundhog Mining marks an important milestone for Merger and our shareholders” stated Merger president Lex Smith. “We have known Del and Nathan Hunt for years and their mining expertise will be invaluable to any party that purchases or leases one of our Merger Miner laser mining units. Further, our working partnership with Groundhog gives Merger the ability to actively mine properties we acquire with our Merger Miners and by conventional means as well.”

Merger is the global leader in the development and use of lasers for mining. This innovative use of lasers and robotics has the potential to change the way mining is done world-wide. Merger's innovative mining methods will lower mining costs significantly, and reduce miners' exposure to dangerous situations they typically encounter when using explosives and traditional mining equipment.

The Merger Miner makes use of a commercial kilowatt power fiber laser in a patented device for mining in narrow veins of precious metals. www.mergerminescorp.com. OTCQB: MERG

Merger has world class technical experts overseeing the design and manufacture of the robotic laser vein miner arrays, and Merger has one of the finest mining engineers in the U.S. to assist the Laser Vein Miner design team with his mine design and operational expertise. They will be working closely at any mining location where Merger is testing and fine tuning the laser arrays, and they will be available to assist mining companies that purchase or lease the mining arrays from the company.

Merger's design and manufacture of high tech, state-of-the-art laser vein miner arrays which incorporate the use of robotics and highly sophisticated computer programs are specifically designed to achieve maximum production from mines. Merger's laser mining technology brings traditional mining into the 21st century world-wide.

Merger anticipates having its first scan head ready for laboratory testing within the next twelve months. Computer modeling of the narrow (30 inch wide) vein miner is well under way and will see detailed engineering drawings completed within the next fifteen months, with fabrication, system integration and performance evaluation to follow soon after.

Legal Notice and Safe Harbor Statement

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, including, without limitation, those with respect to the objectives, plans and strategies of the Company set forth herein and those preceded by or that include the words "believes," "expects," "given," "targets," "intends," "anticipates," "plans," "projects," "forecasts" or similar expressions, are "forward-looking statements." Although the Company's management believes that such forward-looking statements are reasonable, it cannot guarantee that such expectations are, or will be, correct.

These forward-looking statements involve a number of risks and uncertainties, which could cause the Company's future results to differ materially from those anticipated. Potential risks and uncertainties include, among others: general economic conditions and conditions affecting the industries in which the Company operates; the uncertainty of regulatory requirements and

approvals; fluctuating mineral and commodity prices; risks of junior exploration and preproduction activities; maintenance of important business relationships.

Additional information regarding the factors that may cause actual results to differ materially from these forwardlooking statements is available in the Company's filings with the SEC. The Company assumes no obligation to update any of the information contained or referenced in this press release.

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