

NEW JERSEY MINING CO
Form 10-Q
May 14, 2010

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended March 31, 2010

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from _____ to _____

Commission file number: 000-28837

NEW JERSEY MINING COMPANY

(Exact name of registrant as specified in its charter)

Idaho

(State or other jurisdiction
of incorporation or organization)

82-0490295

(I.R.S. employer identification No.)

89 Appleberg Road, Kellogg, Idaho 83837

(Address of principal executive offices) (zip code)

(208) 783-3331

Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(D) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period as the registrant was required to file such reports), and (2) has been subject to filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and small reporting company in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes No

On April 30, 2010, 42,210,762 shares of the registrant's common stock were outstanding.

**NEW JERSEY MINING COMPANY
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD
ENDED MARCH 31, 2010**

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PART I-FINANCIAL INFORMATION**Item 1: FINANCIAL STATEMENTS**

New Jersey Mining Company
(A Development Stage Company)
Balance Sheets (Unaudited)
March 31, 2010 and December 31, 2009

ASSETS

| | <u>March 31, 2010</u> | <u>December 31, 2009</u> |
|--|-----------------------|--------------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 348,982 | \$ 34,087 |
| Investment in marketable equity security at market (cost-\$3,868) | 21,278 | 21,665 |
| Interest receivable | | 309 |
| Miscellaneous receivable | | 919 |
| Prepaid claim fees | 11,608 | 18,573 |
| Inventory | 1,833 | 1,833 |
| Total current assets | 383,701 | 77,386 |
| Property, plant, and equipment, net of accumulated depreciation | 1,348,321 | 1,353,369 |
| Mineral properties, net of accumulated amortization | 1,407,959 | 1,407,959 |
| Reclamation bonds | 121,133 | 121,088 |
| Total assets | \$ 3,261,114 | \$ 2,959,802 |

LIABILITIES AND STOCKHOLDERS EQUITY

| | | |
|---|-----------|-----------|
| Current liabilities: | | |
| Accounts payable | \$ 80,658 | \$ 62,858 |
| Note and interest payable, related party | 48,549 | 72,107 |
| Accrued payroll and related payroll expenses | 24,212 | 7,160 |
| Deposit received on sale of mineral property (Note 6) | | 50,000 |
| Obligations under capital lease, current | 10,196 | 9,894 |
| Notes payable, current | 132,807 | 134,689 |
| Total current liabilities | 296,422 | 336,708 |
| Asset retirement obligation | 26,781 | 25,913 |
| Obligations under capital lease, non-current | 7,733 | 10,398 |
| Notes payable, non-current | 42,221 | 56,650 |
| Total non-current liabilities | 76,735 | 92,961 |
| Total liabilities | 373,157 | 429,669 |

Stockholders equity:

Preferred stock, no par value, 1,000,000 shares
authorized; no shares issued and outstanding

Common stock, no par value, 50,000,000 shares authorized;
March 31, 2010-42,208,262 and

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| | | |
|---|--------------|--------------|
| December 31, 2009-38,685,232 shares issued and outstanding | 9,814,978 | 9,285,383 |
| Deficit accumulated during the development stage | (6,944,430) | (6,773,046) |
| Accumulated other comprehensive income | | |
| Unrealized gain in marketable equity security | 17,409 | 17,796 |
| Total stockholders' equity | 2,887,957 | 2,530,133 |
| Total liabilities and stockholders' equity | \$ 3,261,114 | \$ 2,959,802 |

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The accompanying notes are an integral part of these financial statements.

New Jersey Mining Company
(A Development Stage Company)
Statements of Operations and Comprehensive Loss (Unaudited)
For the Three Month Periods Ended March 31, 2010 and 2009,
And from Inception (July 18, 1996) through March 31, 2010

| | <u>March 31, 2010</u> | <u>March 31, 2009</u> | <u>From Inception (July 18, 1996) Through March 31, 2010</u> |
|--|-----------------------|-----------------------|--|
| Income earned during the development stage: | | | |
| Sales of gold | \$ | \$ 111,321 | \$ 425,712 |
| Sales of concentrate | | | 601,168 |
| Drilling and exploration contract income | | | 198,611 |
| | | 111,321 | 1,225,491 |
| Costs and expenses: | | | |
| Direct production costs | 18,478 | 127,004 | 1,285,679 |
| Drilling and exploration contract expense | 5,119 | | 93,805 |
| Management | 66,868 | 96,283 | 1,762,899 |
| Exploration | 31,260 | 16,324 | 2,281,267 |
| Gain on sale of mineral property | | | (90,000) |
| Gain on default of mineral property sale (Note 6) | (50,000) | | (320,000) |
| Depreciation and amortization | 13,194 | 47,524 | 683,287 |
| General and administrative expenses | 83,678 | 82,227 | 2,475,236 |
| Total operating expenses | 168,597 | 369,362 | 8,172,173 |
| Other (income) expense: | | | |
| Timber sales | | | (54,699) |
| Timber expense | | | 14,554 |
| Royalties and other income | | | (72,076) |
| Royalties expense | | 1,113 | 44,089 |
| Gain on sale of marketable equity security | | | (92,269) |
| Interest income | (214) | (334) | (47,307) |
| Interest expense | 3,001 | 5,726 | 84,506 |
| Write-off of goodwill | | | 30,950 |
| Write-off of investment | | | 90,000 |
| Total other (income) expense | 2,787 | 6,505 | (2,252) |
| Net loss | 171,384 | 264,546 | 6,944,430 |
| Other comprehensive (income) loss: | | | |
| Unrealized (gain) loss on marketable equity security | 387 | 6,531 | (17,409) |
| Comprehensive loss | \$ 171,771 | \$ 271,077 | \$ 6,927,021 |
| Net loss per common share-basic | \$ Nil | \$ 0.01 | \$ 0.34 |

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| | | | |
|--|------------|------------|------------|
| Weighted average common shares outstanding-basic | 40,996,413 | 37,187,592 | 20,566,229 |
|--|------------|------------|------------|

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The accompanying notes are an integral part of these financial statements.

New Jersey Mining Company
(A Development Stage Company)
Statements of Cash Flows (Unaudited)
For the Three Month Periods Ended March 31, 2010 and 2009,
And from Inception (July 18, 1996) through March 31, 2010

| | March 31, | | From Inception (July 18, 1996) through September 30, 2010 |
|---|--------------|--------------|--|
| | <u>2010</u> | <u>2009</u> | |
| Cash flows from operating activities: | | | |
| Net loss | \$ (171,384) | \$ (264,546) | \$ (6,944,430) |
| Adjustments to reconcile net loss to net cash | | | |
| Used by operating activities: | | | |
| Depreciation and amortization | 13,194 | 47,524 | 683,287 |
| Loss on equipment | 400 | | 11,672 |
| Write-off of goodwill and investment | | | 120,950 |
| Gain on sale of mineral properties | (50,000) | | (410,000) |
| Gain on sale of marketable equity securities | | | (92,269) |
| Accretion of asset retirement obligation | 868 | | 2,311 |
| Common stock issued for: | | | |
| Management and directors fees | | 70,800 | 1,109,335 |
| Services and other | 425 | 2,230 | 222,833 |
| Exploration | | 2,500 | 95,521 |
| Mineral property agreement | | | 15,000 |
| Change in: | | | |
| Prepaid claim fees | 6,965 | | (11,608) |
| Inventory | | (20,059) | (1,833) |
| Miscellaneous receivable | 919 | (28,634) | |
| Interest receivable | 309 | 324 | |
| Contract drilling receivable | | | |
| Other assets | | | (778) |
| Accounts payable | 17,799 | 4,899 | 89,896 |
| Accrued payroll and related payroll | 17,054 | (17,569) | 24,212 |
| expenses | | | |
| Accrued reclamation costs | | | (1,443) |
| Net cash used by operating activities | (162,451) | (202,531) | (5,086,344) |
| Cash flows from investing activities: | | | |
| Purchases of property, plant, and equipment | (9,547) | (4,395) | (1,093,795) |
| Purchase of mineral property | | | (20,904) |
| Proceeds from sale of mineral property | | | 120,000 |
| Deposit received on sale of mineral property | | | 320,000 |
| Proceeds on sale of equipment | 1,000 | | 1,000 |
| Purchases of reclamation bonds | (45) | (235) | (121,133) |
| Purchase of marketable equity security | | | (7,500) |
| Proceeds from sales of marketable equity | | | 95,901 |
| securities | | | |
| Cash of acquired companies | | | 38,269 |
| Deferral of development costs | | | (759,209) |
| Net cash used by investing activities | (9,592) | (4,630) | (1,428,371) |

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| | | | |
|---|-------------------|------------------|-------------------|
| Cash flows from financing activities: | | | |
| Exercise of stock purchase warrants | | | 2,537,600 |
| Sales of common stock, net of issuance costs | 529,170 | | 4,790,246 |
| Principal payments on capital lease | (2,363) | (8,870) | (185,860) |
| Principal payments on notes payable | (16,311) | (31,862) | (326,838) |
| Note and interest payable, related party net | (23,558) | | 48,549 |
| Net cash provided (used) by financing activities | 486,938 | (40,732) | 6,863,697 |
| activities | | | |
| Net change in cash and cash equivalents | 314,895 | (247,893) | 348,982 |
| Cash and cash equivalents, beginning of period | 34,087 | 321,254 | 0 |
| Cash and cash equivalents, end of period | \$ 348,982 | \$ 73,361 | \$ 348,982 |
| Supplemental disclosure of cash flow information: | | | |
| Interest paid in cash, net of amount capitalized | \$ 3,001 | \$ 5,726 | \$ 72,485 |
| Non-cash investing and financing activities: | | | |
| Common stock issued for: | | | |
| Property, plant, and equipment | | \$ | 50,365 |
| Mineral properties | | \$ | 333,600 |
| Payment of accounts payable | | \$ | 12,205 |
| Acquisitions of companies, excluding cash | | \$ | 743,653 |
| Capital lease obligation incurred for equipment | | \$ | 178,588 |
| acquired | | | |
| Notes payable for property and equipment | | \$ | 482,634 |
| acquired | | | |

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The accompanying notes are an integral part of these financial statements.

New Jersey Mining Company
Notes to Financial Statements
(Unaudited)

1. Basis of Presentation:

These unaudited interim financial statements have been prepared by the management of New Jersey Mining Company (the Company) in accordance with accounting principles generally accepted in the United States of America for interim financial information, as well as the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of the Company's management, all adjustments (consisting of only normal recurring accruals) considered necessary for a fair presentation of the interim financial statements have been included.

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 the Company's financial position and results of operations. Operating results for the three month period ended March 31, 2010, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2010.

For further information refer to the financial statements and footnotes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

The Company presents its financial statements in accordance with accounting guidance for development stage entities, as management believes that while the Company's planned principal operations have commenced, the revenue generated from them is not sufficient to cover all corporate costs. Additional development of the Company's properties is necessary before a transition is made to reporting as a production stage company.

2. Description of Business

The Company was incorporated as an Idaho corporation on July 18, 1996. The Company's primary business is exploring for and developing gold, silver, and base metal mining resources in Idaho.

3. Line of Credit, Related Party

In the first quarter of 2010, an unsecured line of credit with 0% interest was extended to the Company by President Fred Brackebusch and Vice President Grant Brackebusch for the amount of stock due for management services in the quarter. As of March 31, 2010, this amounted to \$48,549. The related party line of credit extended to the Company by Fred Brackebusch in 2009 was paid in full for \$72,107 in the first quarter of 2010.

4. Equity

Private Placement

In March of 2010 the Company completed a private placement which was initiated in September of 2009, each unit selling for \$0.17 and consisting of one share of common stock and one common stock purchase warrant, whereby each warrant may purchase one share of the Company's unregistered common stock at \$0.30 until January 31, 2013. A total of 3,658,530 units were sold in the private placement and resulted in net proceeds of \$563,670. Of those units 138,000 were issued in 2009 for net proceeds of \$34,500.

Common Stock Issued for Cash, Goods, and Services

During the three month period ended March 31, 2010, the Company issued 2,500 shares of unregistered common

stock to individuals for goods and services at a fair value price of \$0.17 per share.

5. Fair Value Measurement

The table below sets forth our financial assets that were accounted for at fair value on at March 31, 2010 and December 31, 2009, and their respective hierarchy level. Hierarchy level is determined by segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). We had no other financial assets or liabilities accounted for at fair value at March 31, 2010 and December 31, 2009.

| | Balance at March 31, 2010 | Balance at December 31, 2009 | Hierarchy Level |
|---|---------------------------------|------------------------------------|--------------------|
| Investments in marketable equity securities | \$ 21,278 | \$21,665 | Level 1 |

6. Mining Venture Agreements

Basin Gold Venture Agreement

The Company and Basin Gold Mines Inc. (Basin Gold) entered discussion into a possible Mining Venture Agreement in November, 2009 relating to the Golden Chest Property and signed a Letter of Intent outlining the terms of a mining venture agreement. At that time Basin paid the Company a \$50,000 non refundable deposit which would have been applied towards their purchase of a 50% share in the Joint Venture should they have chosen to enter into a definitive agreement. The deadline for closing a definitive was January 15, 2010. The deadline passed without signing a definitive agreement and the \$50,000 was realized as gain during the quarter ended March 31, 2010.

Newmont Venture Agreement

The Company entered into a venture agreement with Newmont North America Exploration Limited ("Newmont") in March 2008, relating to exploration of the Company's Toboggan Project. Newmont is conducting exploration in a 38 square mile area centered on the prospects that the Company has staked. To earn a participating interest in the Venture, Newmont is required to contribute \$2,000,000 in exploration expenditures as follows: \$300,000 on or before March 2009, an additional \$700,000 by March 2010, and an additional \$1,000,000 by March 2011. Newmont has completed two field seasons of exploration work and is planning the third season in 2010. Newmont has made satisfactory progress toward completing their required expenditures under the agreement. NJMC has been providing drilling services on a per footage fee basis to Newmont for this project.

Item 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

When we use the terms "New Jersey Mining Company," the "Company," "we," "us," or "our," we are referring to New Jersey Mining Company (the "Company") and its subsidiaries, unless the context otherwise requires.

Cautionary Statement about Forward-Looking Statements

This Quarterly Report on Form 10-Q includes certain statements that may be deemed to be "forward-looking statements." All statements, other than statements of historical facts, included in this Form 10-Q that address activities, events or developments that our management expects, believes or anticipates will or may occur in the future are forward-looking statements. Such forward-looking statements include discussion of such matters as:

- The amount and nature of future capital, development and exploration expenditures;
- The timing of exploration activities; and
- Business strategies and development of our business plan.

Forward-looking statements also typically include words such as "anticipate," "estimate," "expect," "potential," "could" or similar words suggesting future outcomes. These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, including such factors as the volatility and level of metal prices, currency exchange rate fluctuations, uncertainties in cash flow, expected acquisition benefits, exploration mining and operating risks, competition, litigation, environmental matters, the potential impact of government regulations, and other matters related to the mining industry, many of which are beyond our control. Readers are cautioned that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those expressed or implied in the forward-looking statements.

The Company is under no duty to update any of these forward-looking statements after the date of this report. You should not place undue reliance on these forward-looking statements.

Plan of Operation

The Company is executing its strategy to conduct exploration for gold, silver and base metal deposits in the greater Coeur d'Alene Mining District of northern Idaho while concurrently conducting mining and mineral processing operations on ore reserves it has located on its exploration properties. The financial strategy is to generate cash from these operations to pay for corporate expenses and to provide additional funds for exploration, thus reducing the need to raise funds through financing activities including sale of common stock. The strategy includes finding and developing ore reserves in order to increase production of gold, silver, and base metals. In addition, the sale or joint venture of mineral properties is used as a source of funds and to reduce exploration costs.

The Company has several properties at which most exploration is being conducted: the Toboggan Project, the Niagara, the Golden Chest, the Silver Strand, the Coleman, and the Giant Ledge. The Toboggan Project is a group of prospects in the Murray, Idaho District that contain gold and silver telluride minerals. The Toboggan Project is being explored by Newmont North America Exploration Limited under a joint venture agreement. Newmont is conducting exploration in a 38 square mile area centered on the prospects that the Company has staked previously and on new claims staked by Newmont. During 2009 Newmont completed a drilling program, and also conducted soil sampling surveys and geological mapping. Newmont has made plans for additional drilling of certain targets in 2010. The Niagara copper-silver deposit, also located in the Murray, Idaho area, in the Revett formation was drilled in the 1970's, and the Company drilled five holes since which expanded the resource. Results of the recent drilling also indicate that gold would be a significant byproduct. Preliminary open pit mining studies have been completed. The Company will continue in-fill drilling on the known resource and is planning to drill to intercept a deeper stratabound target in the Revett formation. At the Golden Chest mine, during 2009, all of the accessible ore pillar remnants were mined but further work on the development ramp to access reserves will have to await financing. The Company is searching for joint venture opportunities in order to acquire funding to develop the reserves at the Golden Chest mine. Permits are in place and development of infrastructure has been completed in order to be able to begin production of silver-gold ore at the Silver Strand mine in May 2010. At the Coleman underground mine, during the first quarter a raise on the vein was started to help determine whether reserves can be calculated on the deeper parts of the Coleman vein.

The Company conducted core drilling operations at the Toboggan Project for Newmont under a service agreement in 2009 and plans to continue such drilling in 2010, starting in June.

The New Jersey mineral processing plant was being prepared for startup in the first quarter. Some improvements were made to equipment in the concentrate leach plant. The operating schedule for 2010 includes milling development rock from the Coleman and milling ore from the Silver Strand mine when it becomes available in the second quarter.

Changes in Financial Condition

The Company maintains an adequate cash balance by increasing or decreasing its exploration expenditures as limited by availability of cash from operations or from financing activities. The cash balance at the end of the first quarter was \$348,982, and Figure 1 shows the corresponding balances for previous accounting periods.

The cash balance increased during the first quarter due to financing activities.

Results of Operations

Income earned during the Development Stage (revenue) for the first quarter of 2010 was nil as compared to \$111,321 for the comparable period of 2009. Revenue was lower in 2010 due to the lack of any production. Figure 2 shows a net loss for the first quarter of 2010 of \$171,384 compared to a loss of \$264,546 for the first quarter of 2009. The net loss for the first quarter of 2010 was less than the first quarter of 2009 because of reduced costs even though there was no revenue in the 2010 period.

Figure 2

Accounting Period

Gold production was nil in the first quarter of 2010 compared to 134 ounces in the comparable period of 2009. Gold production for the remainder of 2010 is expected to increase due to plans for production from the Coleman and Silver Strand mines.

At the Golden Chest mine, any production depends upon the ability to complete development of reserves. If the Idaho vein ramp development can be completed there will be more than 200,000 tonnes available. There are no plans in 2010 to commence ramp development unless a joint venture partner can be arranged.

Development rock from a raise at the Coleman mine became available for milling early in the second quarter of 2010.

Ore production is planned to start at the Silver Strand mine in the second quarter of 2010. Production will commence in 30 days after mobilization in late April 2010. Operating results at the Silver Strand mine will depend upon the price of silver as well as gold. Present silver and gold prices are sufficient in management's estimation to generate a gross profit at the Silver Strand mine based on the operating plan which was part of the permitting process.

No major capital expenditures are planned at the New Jersey mineral processing plant, however significant improvements to the concentrate leach plant were made in the first quarter.

The amount of money to be spent on exploration at the Company's mines and prospects will depend upon the amount of gross profit generated by operations and the amount of money raised by financing activities. Management expects that work will be done at the Coleman and Silver Strand mines in 2010 and that the mineral processing plant will be operated the remainder of the year.

The Company raised approximately \$530,000 with a private placement in the first quarter of 2010 and has prepared a detailed plan of operations for 2010 assuming no additional funds are produced by financing efforts. This detailed plan includes operation of the Coleman and Silver Strand mines as well as the mineral processing plant for the remainder of 2010. Plans have been made for the Company to drill for Newmont at the Toboggan Project on a contract basis during the summer season, and a Service Contract has been signed. Newmont currently pays for all exploration activities on the Toboggan Project. We expect to receive cash flow from the gold and silver sales and by providing drilling services to Newmont on our joint venture (see note 6. Mining Venture Agreements Newmont Venture Agreement).

Changes in Direct Production Costs

Direct production costs decreased for the three month period ending March 31, 2010 compared to the comparable period last year because the mining and milling properties were shut down for the majority of the quarter and only resumed operations in March of 2010.

Changes in Management Costs

Management expenses decreased for the three month period ending March 31, 2010 compared to the comparable period last year because of limited activity in 2010. Management continues to receive a portion of payment in stock.

Changes in Exploration Costs

Exploration expenses increased for the three month period ending March 31, 2010 compared to the comparable period last year. Exploration projects were put on hold in 2009 while production occurred at the Golden Chest property. In March of 2010 exploration activities were resumed at the Coleman property.

Item 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required for small reporting companies.

Item 4: CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's President and Chief Executive Officer who also serves as the Company's principal financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934 (the Exchange Act), as of the end of the period covered by this report. Based on such evaluation, the Company's President, Chief Executive Officer, and principal financial officer has concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in recording, processing, summarizing, and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files under the Exchange Act.

Changes in internal control over financial reporting.

The President, Chief Executive Officer, and principal financial officer conducted evaluations of the Company's internal controls over financial reporting to determine whether any changes occurred during the quarter ended March 31, 2010 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. No material changes in internal control over financial reporting occurred in the quarter ended March 31, 2010.

Item 4T. CONTROLS AND PROCEDURES

Information regarding internal control over financial reporting has been set forth in Item 4.

PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

None

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Neither the constituent instruments defining the rights of the Company's securities filers nor the rights evidenced by the Company's outstanding common stock have been modified, limited or qualified.

During the first quarter of 2010 the Company issued 3,520,530 shares of unregistered common stock for net proceeds of \$529,170 to certain accredited and sophisticated individuals in connection with a private placement. In management's opinion, the sale of the restricted shares, as defined under Rule 144, was made in reliance on exemptions from registration provided by Section 4(2) and Rule 506 of Regulation D of the Securities Act of 1933, as amended and other applicable Federal and state securities laws.

During the first quarter of 2010 the Company issued 2,500 shares of unregistered common stock at an average price of \$0.17 to other accredited and sophisticated individuals for goods and services. In management's opinion, the securities were issued pursuant to exemptions from registration under Section 4(2) of the Securities Act of 1933, as amended.

Item 3. DEFAULTS UPON SENIOR SECURITIES

The Company has no outstanding senior securities.

Item 4. REMOVED AND RESERVED

Item 5. OTHER INFORMATION

None

Item 6. EXHIBITS

Number Description

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- 3.1 Articles of Incorporation. Filed as an exhibit to the registrant's registration statement on Form 10-SB (Commission File No. 000-28837) and incorporated by reference herein.
- 3.2 Bylaws. Filed as an exhibit to the registrant's registration statement on Form 10-SB (Commission File No. 000-28837) and incorporated by reference herein.
- 31.1 Certification pursuant to Section 302 of the Sarbanes-Oxley act of 2002.
- 32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NEW JERSEY MINING COMPANY

By: /s/ Fred W. Brackebusch

Fred W. Brackebusch, its
President, Treasurer & Director
Date: May 14, 2010

By: /s/ Grant A. Brackebusch

Grant A. Brackebusch, its
Vice President & Director
Date: May 14, 2010