

NEW JERSEY MINING CO
Form 10-Q
May 15, 2014

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, 2014

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.)

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201 N. Third Street, Coeur d Alene, ID 83814

(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

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 X .

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

Yes No

On May 1, 2014 79,760,148 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, 2014

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PART I-FINANCIAL INFORMATION**Item 1: CONSOLIDATED FINANCIAL STATEMENTS****New Jersey Mining Company***(A Development Stage Company)***Consolidated Balance Sheets****March 31, 2014 and December 31, 2013**

| | March 31 2014 | December 31, |
|---|---------------|--------------|
| | (Unaudited) | 2013 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 733,091 | \$ 636,127 |
| Investment in marketable equity security at fair value (cost-\$3,869) | 9,672 | 9,672 |
| Joint venture receivables | 92,574 | 61,143 |
| Other current assets | 45,900 | 45,970 |
| Total current assets | 881,237 | 752,912 |
| Property, plant and equipment, net of accumulated depreciation | 4,899,831 | 4,908,724 |
| Mineral properties, net of accumulated amortization | 540,433 | 540,433 |
| Deposits on equipment | 23,616 | - |
| Total assets | \$ 6,345,117 | \$ 6,202,069 |
| LIABILITIES AND STOCKHOLDERS EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 56,965 | \$ 40,208 |
| Accrued payroll and related payroll expenses | 28,667 | 22,016 |
| Note payable related party, current | 44,977 | 36,701 |
| Obligations under capital lease, current | 17,813 | 26,367 |
| Notes payable, current | 52,077 | 55,663 |
| Total current liabilities | 200,499 | 180,955 |

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| | | |
|---|--------------|--------------|
| Asset retirement obligation | 11,237 | 10,949 |
| Note payable related party, non-current | 171,007 | 180,417 |
| Notes payable, non-current | 181,310 | 193,880 |
| Total non-current liabilities | 363,554 | 385,246 |
| | | |
| Total liabilities | 564,053 | 566,201 |
| | | |
| Commitments (Note 2) | - | - |
| | | |
| Stockholders' equity: | | |
| Preferred stock, no par value, 1,000,000 shares authorized; no shares issued or outstanding | - | - |
| Common stock, no par value, 200,000,000 shares authorized; | | |
| 2014-79,760,148 and 2013-73,760,148 shares issued and outstanding | 12,160,469 | 11,755,469 |
| Deficit accumulated during the development stage | (9,570,382) | (9,302,024) |
| Accumulated other comprehensive income: | | |
| Unrealized gain on marketable equity security | 5,803 | 5,803 |
| Total New Jersey Mining Company stockholders equity | 2,595,890 | 2,459,248 |
| Non-controlling interest in New Jersey Mill Joint Venture | 3,185,174 | 3,176,620 |
| Total stockholders' equity | 5,781,064 | 5,635,868 |
| | | |
| Total liabilities and stockholders' equity | \$ 6,345,117 | \$ 6,202,069 |

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

New Jersey Mining Company

(A Development Stage Company)

Consolidated Statements of Operations and Comprehensive Income (Loss) (Unaudited)

For the Three Month Periods Ended March 31, 2014 and 2013,

And from Inception (July 18, 1996) through March 31, 2014

| | 2014 | March 31, 2013 | From Inception (July 18, 1996) Through March 31, 2014 |
|---|-----------|-------------------|--|
| Income earned during the development stage: | | | |
| Sales of gold | \$ - | \$ 8,308 | \$ 458,171 |
| Sales of concentrate | - | - | 601,168 |
| Drilling and exploration contract income | - | - | 2,371,344 |
| Joint venture management fee income | 76 | 1,147 | 133,339 |
| Contract milling income | - | 4,590 | 104,936 |
| Engineering services income | - | - | 232,522 |
| Total income earned during the development stage | 76 | 14,045 | 3,901,480 |
| Costs and expenses: | | | |
| Contract milling costs | 13,204 | 8,667 | 1,444,456 |
| Drilling and exploration contract expense | - | 96 | 1,198,090 |
| Engineering services expense | - | - | 71,591 |
| Exploration | 84,569 | 30 | 2,678,490 |
| Net loss (gain) on sale of or abandonment of mineral property | - | - | (172,398) |
| Write down of mineral property | - | - | 324,142 |
| Net gain on sale of equipment | - | (95,000) | (166,101) |
| Depreciation and amortization | 14,526 | 28,016 | 1,080,841 |
| General and administrative expenses | 156,525 | 57,157 | 5,678,258 |
| Total operating expenses | 268,824 | (1,034) | 12,137,369 |
| Operating income (loss) | (268,748) | 15,079 | (8,235,889) |
| Other (income) expense: | | | |
| Timber sales | - | - | (54,699) |
| Timber expense | - | 300 | 14,854 |
| Royalties and other income | (11,885) | (8,279) | (163,029) |
| Royalties expense | - | - | 44,089 |
| Distribution from Golden Chest LLC | - | - | (119,450) |
| Gain on sale of marketable equity security | - | - | (92,269) |
| Interest income | (126) | (49) | (49,666) |
| Interest expense | 11,619 | 14,321 | 181,096 |
| Write-off of goodwill and investment | - | - | 120,950 |
| Equity in loss of Golden Chest LLC | - | 84,000 | 1,475,205 |
| Total other (income) expense | (392) | 90,293 | 1,357,081 |

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| | | | |
|---|--------------|-------------|----------------|
| Income tax (provision) benefit | - | - | - |
| Net income (loss) | (268,356) | (75,214) | (9,592,970) |
| Net loss attributable to non-controlling interest | - | 2,312 | 22,588 |
| Net income (loss) attributable to New Jersey Mining Company | \$ (268,356) | \$ (72,902) | \$ (9,570,382) |
| Other comprehensive income (loss): | | | |
| Net income (loss) | \$ (268,356) | \$ (75,214) | \$ (9,592,970) |
| Unrealized gain (loss) on marketable equity security | - | 5,753 | 5,803 |
| Comprehensive income (loss) | (268,356) | (80,967) | (9,587,167) |
| Comprehensive loss attributable to non-controlling interest | - | 2,312 | 22,588 |
| Comprehensive income (loss) attributable to New Jersey Mining Company | \$ (268,356) | \$ (78,655) | \$ (9,564,579) |
| Net loss per common share-basic and diluted | \$ Nil | \$ Nil | \$ 0.36 |
| Weighted average common shares outstanding-basic and diluted | 75,760,148 | 45,515,862 | 26,909,737 |

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

New Jersey Mining Company

(A Development Stage Company)

Consolidated Statements of Cash Flows (Unaudited)

For the Three Month Periods Ended March 31, 2014 and 2013,

And from Inception (July 18, 1996) through March 31, 2014

| | 2014 | March 31, 2013 | From Inception (July 18, 1996) Through March 31, 2014 |
|---|--------------|-------------------|--|
| Cash flows from operating activities: | | | |
| Net loss | \$ (268,356) | \$ (75,214) | \$ (9,592,970) |
| Adjustments to reconcile net loss to net cash (used) by operating activities: | | | |
| Depreciation and amortization | 14,526 | 28,016 | 1,080,841 |
| (Gain) loss on sale of equipment | - | (95,000) | (154,829) |
| Write down of goodwill, investment, and mineral property | - | - | 554,092 |
| Gain on sale of mineral property | - | - | (281,334) |
| Gain on sale of marketable equity security | - | - | (92,269) |
| Accretion of asset retirement obligation | 288 | 288 | 10,399 |
| Equity in loss of Golden Chest LLC | - | 84,000 | 1,475,206 |
| Common stock issued for: | | | |
| Management and directors fees | - | - | 1,186,335 |
| Services and other | - | - | 255,874 |
| Exploration expense | - | - | 161,521 |
| Change in: | | | |
| Joint venture receivables | (31,430) | 3,820 | (92,573) |
| Other current assets | 70 | (4,952) | (45,899) |
| Inventory | - | 7,309 | - |
| Other assets | - | - | (778) |
| Accounts payable | 16,754 | 58,999 | 72,712 |
| Accrued payroll and related payroll expense | 6,651 | 8,471 | 28,662 |
| Account payable Marathon Gold | - | (62,500) | - |
| Accrued reclamation costs | - | - | (1,443) |
| Net cash (used) by operating activities | (261,497) | (46,763) | (5,436,452) |
| Cash flows from investing activities: | | | |
| Purchases of property, plant and equipment | (5,633) | - | (4,454,294) |
| Purchase of mineral property | - | (4,500) | (12,904) |
| Proceeds from sale of mineral property | - | - | 584,000 |
| Deposit on equipment | (23,616) | - | (23,616) |
| Contributions to Golden Chest LLC | - | (84,000) | (922,000) |
| Proceeds from sale of equipment | - | 95,000 | 171,074 |
| Redemption (purchase) of reclamation bonds | - | - | (120,500) |

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| | | | |
|---|-------------------|---------------|-------------------|
| Purchase of marketable equity security | - | - | (7,500) |
| Proceeds from sales of marketable equity securities | - | - | 95,901 |
| Cash of acquired companies | - | - | 38,269 |
| Deferral of development costs | - | - | (759,209) |
| Net cash provided (used) by investing activities | (29,249) | 6,500 | (5,410,779) |
| Cash flows from financing activities: | | | |
| Exercise of stock purchase warrants | - | - | 2,571,536 |
| Sales of common stock and warrants, net of issuance costs | 405,000 | - | 6,651,236 |
| Payments on capital lease | (8,555) | (7,683) | (283,227) |
| Principal payments on notes payable | (16,156) | (17,874) | (656,800) |
| Principal payments on note and other payables, related party, net | (1,133) | 68,289 | 89,816 |
| Contributions from non-controlling equity interest in Mill JV | 8,554 | 7,683 | 3,207,762 |
| Net cash provided by financing activities | 387,710 | 50,415 | 11,580,322 |
| Net increase in cash and cash equivalents | 96,964 | 10,152 | 733,091 |
| Cash and cash equivalents, beginning of period | 636,127 | 9,950 | - |
| Cash and cash equivalents, end of period | \$ 733,091 | 20,102 | \$ 733,091 |
| Supplemental disclosure of cash flow information | | | |
| Interest paid in cash, net of amount capitalized | \$ 11,619 | 14,321 | \$ 169,074 |
| Non-cash investing and financing activities: | | | |
| Common stock issued for: | | | |
| Property, plant and equipment | - | - | \$ 50,365 |
| Mineral properties agreement | - | - | 616,600 |
| Payment of accounts payable | - | - | 18,730 |
| Acquisitions of companies, excluding cash | - | - | 743,653 |
| Capital lease obligation incurred for equipment acquired | - | - | 275,838 |
| Notes payable for property and equipment acquired | - | - | 884,397 |
| Mineral property transferred to Golden Chest LLC | - | - | 553,205 |
| Debt relieved from sale of equipment | - | - | 13,421 |
| Related party note payable for property acquired | - | - | 223,807 |

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

New Jersey Mining Company

(A Development Stage Company)

Notes to Consolidated Financial Statements

(Unaudited)

1.

The Company and Significant Accounting Policies:

These unaudited interim consolidated 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. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete consolidated 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 consolidated 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, 2014, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2014.

For further information refer to the financial statements and footnotes thereto in the Company's audited financial statements for the year ended December 31, 2013 included in Form 10 as filed with the Securities and Exchange Commission on April 11, 2014.

The Company's consolidated financial statements are prepared in accordance with accounting guidance for development stage entities as it devotes substantially all of its efforts to acquiring and developing mining interests that will eventually provide sufficient net profits to sustain the Company's existence. Until such interests are engaged in major commercial production, the Company will continue to prepare its financial statements and related disclosures in

accordance with entities in the development stage.

Principles of Consolidation

At March 31, 2014, the consolidated financial statements include the accounts of the Company and the accounts of our majority owned New Jersey Mill Joint Venture. Intercompany items and transactions between companies included in the consolidation are eliminated.

2.

Related Parties

In August 2012 the Company was extended a note by MSD to purchase property for \$223,807 at 12% interest to be paid in 60 monthly payments. At March 31, 2014 the remaining amount due was \$207,017 and \$40,274 has been paid in interest to date.

3.

Joint Ventures

The Company jointly owns with Marathon Gold USA (MUSA) and acts as the operator of the Golden Chest LLC (GC). United Silver Corp. (USC) holds the non-controlling interest in the Company's New Jersey Mill Joint Venture. For joint ventures where the Company holds more than 50% of the voting interest and has significant influence, the joint venture is consolidated with the presentation of non-controlling interest. For joint ventures in which the Company does not have joint control or significant influence, the cost method is used. For those joint ventures in which there is joint control between the parties, and the Company has significant influence, the equity method is utilized.

New Jersey Mining Company*(A Development Stage Company)***Notes to Consolidated Financial Statements****(Unaudited)**

At March 31, 2014 and December 31, 2013, the Company's percentage ownership and method of accounting for each joint venture is as follows:

| Joint Venture | March 31, 2014 | | | December 31, 2013 | | |
|--------------------------------------|----------------|---------------------------|----------------------|-------------------|---------------------------|----------------------|
| | % Ownership | Significant Influence? | Accounting Method | % Ownership | Significant Influence? | Accounting Method |
| New Jersey Mill Joint Venture | 65% | Yes | Consolidated | 65% | Yes | Consolidated |
| Golden Chest LLC Joint Venture | 48% | No | Cost | 48% | No | Cost |

New Jersey Mill Joint Venture Agreement

In June of 2012 USC completed its buy-in for 35% of the Mill JV with a cumulative \$3.2 million contribution to bring the capacity of the mill to 15 tonnes/hr. As of March 31, 2014, an account receivable existed with USC for \$72,696.

Golden Chest LLC Joint Venture

On September 3, 2013 the GC signed a lease agreement with Juniper Resources, LLC (Juniper) of Boise, Idaho for a defined portion of the Golden Chest mine property known as the Skookum Shoot (a 400 meter strike length along the Idaho vein below the No. 3 Level). The lease with Juniper calls for an initial payment of \$50,000 to GC, which was received in 2013, and a work requirement of 1,500 to 3,000 meters of core drilling which has also been completed. Juniper signed the lease and made a payment of \$200,000 to GC at the end of November 2013. Juniper is required to make land payments of \$125,000 per quarter on the promissory note on behalf of GC which it also has done. Additionally, Juniper will pay a 2% net smelter royalty to GC on all gold production from the leased area with the \$250,000 initial payments treated as an advance on this royalty. The lease has a term of 39 months.

4.

Earnings per Share

For the three month period ended March 31, 2014, the effect of the Company's potential issuance of shares from the exercise of 14,100,000 outstanding warrants would have been anti-dilutive. Accordingly, only basic net loss per share has been presented.

5.

Property, Plant, and Equipment

Property, plant and equipment at March 31, 2014 and December 31, 2013, consisted of the following:

| | March 31, 2014 | December 31, 2013 |
|--------------------------------|----------------|-------------------|
| Mill land | \$ 225,289 | \$ 225,289 |
| Mill building | 522,786 | 522,786 |
| Milling equipment | 3,721,645 | 3,716,011 |
| | 4,469,720 | 4,464,086 |
| Less accumulated depreciation | (144,236) | (144,236) |
| Total mill | 4,325,484 | 4,319,850 |
| Building and equipment at cost | 489,107 | 495,037 |
| Less accumulated depreciation | (356,618) | (348,021) |
| Total building and equipment | 132,489 | 147,016 |
| Land | 441,858 | 441,858 |
| Total | \$ 4,899,831 | \$ 4,908,724 |

New Jersey Mining Company*(A Development Stage Company)***Notes to Consolidated Financial Statements****(Unaudited)****6.****Mineral Properties**

Mineral properties at March 31, 2014 and December 31, 2013 consisted of the following:

| | March 31, 2014 | December 31, 2013 |
|-------------------------------|----------------|-------------------|
| New Jersey Mine | \$ 271,340 | \$ 271,340 |
| McKinley | 250,000 | 250,000 |
| Silver Button/Roughwater | 25,500 | 25,500 |
| Toboggan | 5,000 | 5,000 |
| Less Accumulated Amortization | (11,407) | (11,407) |
| Total | \$ 540,433 | \$ 540,433 |

7.**Equity****Common Stock issued for Cash**

A private placement was completed by the Company in the first quarter of 2014. Each unit consist of two shares of the Company's common stock and one purchase warrant, each warrant exercisable for one share of the Company's stock at \$0.15 through March 2017. At closing of the private placement in March 2014, 3,000,000 units consisting of 6,000,000 shares and 3,000,000 warrants were sold for net proceeds of \$405,000 after deducting the 10% commission.

Stock Purchase Warrants Outstanding

Transactions in common stock purchase warrants for the quarter ended March 31, 2014 are as follows:

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| | Number of Warrants | Exercise Prices |
|---|--------------------|-----------------|
| Balance December 31, 2013 | 11,100,000 | \$ 0.15 |
| Issued in connection with private placement | 3,000,000 | 0.15 |
| Balance March 31, 2014 | 14,100,000 | 0.15 |

These warrants expire as follows:

| Shares | Exercise Price | Expiration Date |
|------------|----------------|-----------------|
| 11,100,000 | \$0.15 | May 31, 2015 |
| 3,000,000 | \$0.15 | March 4, 2017 |

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 conducting gold exploration in the Gold Belt of the Coeur d'Alene Mining District as well as at the McKinley Project near Riggins, Idaho, and the Eastern Star Property in the Elk City area. The Company also operates a mineral processing plant near Kellogg, Idaho.

As a result of United Silver (now Crescent Silver LLC) shutting down the Crescent mine, the Company adjusted its business plan in order to focus on contract milling and potential cash flow. The exploration aspect of the Company will focus on performing its own exploration and evaluation of near-term production opportunities and/or forming joint ventures with partners who will contribute cash to earn their interest. The strategy includes finding and developing ore reserves of significant quality and quantity to justify investment in mining and mineral processing facilities, with utilization of the New Jersey Mill as the primary goal. The Company's primary focus is on gold with silver and base metals of secondary emphasis. When applicable, the Company receives revenue for providing mineral processing, and related services from its joint venture partners, as well as management fees.

At the Golden Chest, the Company drilled two exploration holes outside of the Juniper lease area in late 2013. All current exploration is now being conducted at the McKinley Project, Elk City, and the Golden Chest Mine. Other exploration properties include the Toboggan and the Coleman.

Exploration activities at the Golden Chest during 2013 were largely performed by Juniper Resources as part of their due diligence on the Skookum Project. The Golden Chest project is a joint venture agreement with Marathon Gold USA (MUSA). The Company, has 48% ownership and is the Operator.

The Toboggan Project is a group of prospects in the Murray, Idaho District that contain gold and silver telluride minerals. The Toboggan Project was being explored by Newmont North America Exploration Limited under a joint venture agreement. Newmont did not complete their earn-in by March 20, 2011 and the joint venture agreement was terminated. Newmont returned all the unpatented claims held by the venture to the Company. The Company is searching for a new joint venture partner to continue exploration of the favorable gold prospects examined by Newmont. During the third quarter of 2012 some of the claims that form part of the Toboggan Project were leased to a subsidiary of Hecla Mining Co.

At the Coleman underground mine future plans are to conduct further drilling to locate higher grade reserves.

The New Jersey mineral processing plant was expanded in order to process ore from the nearby Crescent silver mine. A letter of intent to form a joint venture with United Mine Services, Inc. (now United Silver Corp.) (USC) was signed in September 2010 and a definitive venture agreement was reached in January 2011. The plant has been expanded from a processing rate of 4 tonnes/hr to 15 tonnes/hr. USC has paid the expansion cost which was about \$3.2 million. The Company owns 65% of the venture and USC owns 35%. The Company is the operator of the venture. USC will have a minimum quota of ore of 7,000 tonnes per month and the Company will have 3,000 tonnes per month. Each party will pay its processing costs and the Company will charge a management fee of \$2.50/tonne. The plant was commissioned in the second quarter of 2012 and continued to process USC ore in the third quarter, processing about 9,000 tonnes. Late in the third quarter of 2012 USC encountered marketing and mining problems which resulted in idling the mill. During the first quarter of 2013 a stockpile of Crescent mine ore was processed. USC subsequently filed for Receivership and the Crescent silver mine is now owned by Crescent Silver. Crescent Silver is currently evaluating the viability of the mine and it is unknown if or when the Crescent mine will produce mill feed for the New Jersey Mill.

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 of 2014 was \$733,091. The cash balance increased from \$636,127 at the end of the previous quarter due to funding of a private placement of securities.

Results of Operations

There was no significant Income Earned during the Development Stage (Revenue) for the first quarter of 2014 or 2013. The net loss for the first quarter of 2014 was \$268,356 compared to a loss of \$75,214 for the first quarter of 2013. The net loss increase for the first quarter of 2014 compared to the loss for the corresponding quarter in 2013 was due to increased exploration activities.

The Company plans to process ore from the Golden Chest Skookum project for Juniper Resources which should commence later in 2014. The Company has no additional plans for production as of the first quarter of 2014, however it is hopeful its exploration activities result in mill feed for the New Jersey Mill in the future.

The amount of money to be spent on exploration at the Company's mines and prospects depends primarily on contributions of our joint venture partners, fundraising, and cash flow from the mill

During the third quarter of 2013, an option agreement to enter a mining lease was signed by Golden Chest LLC with Juniper Resources whereby Juniper will conduct confirmatory drilling on a defined portion of the Golden Chest property. Juniper exercised the mining lease and has made certain payments to Golden Chest LLC (including property payments) thus relieving the Company from making its share of these payments. In addition, the Company will share in a 2% Net Smelter Return and the Company will likely gain income from processing ore from the lessor at the New Jersey mill. The Company anticipates development of a portal to commence at the Golden Chest in June, 2014.

Joint Venture Receivables

Joint Venture Receivables increased as of March 31, 2014, compared to December 31, 2013, due to delayed payment by USC for their portion of funding for mill activities.

Deposits on Equipment

Deposits on Equipment increased as of March 31, 2014, compared to December 31, 2013, relating to a deposit on the gravity concentrator that has been ordered as an addition to the mill.

Sales of Gold

Sales of Gold income decreased for the three month period ended March 31, 2014, compared to the comparable period last year because the remaining inventory was liquidated in 2013.

Joint Venture Management Fee Income

Joint Venture management income decreased for the three month period ended March 31, 2014, compared to the comparable period last year because of a lack of current activity at the Golden Chest under the Joint Venture agreement.

Contract Milling Income

Contract Milling income decreased for the three month period ended March 31, 2014, compared to the comparable period last year because no milling has occurred in 2014.

Management Expense

Management expense increased for the three month period ended March 31, 2014 compared to the comparable period last year because of resumed activities by the company.

Exploration Expense

Exploration expense increased for the three month period ended March 31, 2014 compared to the comparable period last year because of resumed activities by the company.

(Gain) Loss on Sale of Equipment

Gain on Sale of Equipment decreased in 2014 compared to 2013 because a core drill was sold in 2013.

General and Administrative Expense

General and Administrative expense increased for the three month period ended March 31, 2014 compared to the comparable period last year because of resumed activities by the company.

Changes in Equity in Loss and Contributions to Golden Chest LLC

Equity in loss of Golden Chest LLC decreased for the period ending March 31, 2014 compared to the comparable period last year because of less activity and fewer cash calls occurring at the Golden Chest.

Item 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required for small reporting companies.

Item 4:

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

At March 31, 2014, our President who also serves as our Chief Accounting Officer evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(e) of the Securities Exchange Act of 1934 (the Exchange Act), which disclosure controls and procedures are designed to insure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized, and reported within required time periods specified by the Securities & Exchange Commission rules and forms.

Based upon that evaluation, it was concluded that our disclosure controls were effective as of March 31, 2014, to ensure timely reporting with the Securities and Exchange Commission. Specifically, the Company s corporate governance and disclosure controls and procedures provided reasonable assurance that required reports were timely and accurately reported in our periodic reports filed with the Securities and Exchange Commission.

Internal Control over Financial Reporting

The management of New Jersey Mining Company is responsible for establishing and maintaining adequate internal control over financial reporting. This internal control system has been designed to provide reasonable assurance to the Company s management and Board of Directors regarding the preparation and fair presentation of the Company s published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The management of New Jersey Mining Company has assessed the effectiveness of the Company s internal control over financial reporting as of December 31, 2013. To make this assessment, we used the criteria for effective internal control over financial reporting described in *Internal Control-Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment, we believe that, as of December 31, 2013, the Company s internal control over financial reporting is effective.

John Swallow, President

New Jersey Mining Company

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and any design may not succeed in achieving its stated goals under all potential future conditions.

This Report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm subject to Section 404(c) of the Sarbanes-Oxley Act, as amended, which permit us as an issuer that is neither a large accelerated filer nor an accelerated filer to provide only management's report in this Annual Report on Form 10-K.

Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitation of a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in internal control over financial reporting

The President and Principal Accounting Officer conducted evaluations of our internal controls over financial reporting to determine whether any changes occurred during the quarter ended March 31, 2014 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. There was no material change in internal control over financial reporting in the quarter ended March 31, 2014.

PART II - OTHER INFORMATION

Item 1.

LEGAL PROCEEDINGS

We are not subject to any material legal proceedings.

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 2014 the Company issued 6,000,000 shares of unregistered common stock at \$0.075 per share and 3,000,000 warrants exercisable for one share of the Company's common stock at \$0.15 through March 2017 to accredited investors, for net proceeds of \$405,000 after deducting a 10% commission.

The Company relied on the transaction exemption afforded by Section 4(a)(2) of the Securities Act of 1933, as amended, and Regulation D Rule 506(b). The common shares are restricted securities which may not be publicly sold unless registered for resale with the Securities and Exchange Commission or exempt from the registration requirements of the Securities Act of 1933, as amended.

Item 3.

DEFAULTS UPON SENIOR SECURITIES

The Company has no outstanding senior securities.

Item 4.

MINE SAFETY DISCLOSURES

Pursuant to Section 1503(a) of the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities. During the quarter ended March 31, 2014, the Company had no citations for a violation of mandatory health or safety standards that could significantly and substantially (S&S citation) contribute to the cause and effect a mine safety or health hazard under section 104 of the Federal Mine Safety and Health Act of 1977. There were no legal actions, mining-related fatalities, or similar events in relation to the Company's United States operations requiring disclosure pursuant to Section 1503(a) of the Dodd-Frank Act.

Item 5.

OTHER INFORMATION

None

Item 6.

EXHIBITS

| Number | Description |
|--------|---|
| 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 | <u>Certification pursuant to Section 302 of the Sarbanes-Oxley act of 2002.*</u> |
| 31.2 | <u>Certification pursuant to Section 302 of the Sarbanes-Oxley act of 2002.*</u> |

| | |
|--------------------------|--|
| 32.1 | <u>Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*</u> |
| 32.2 | <u>Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*</u> |
| 101.INS ⁽¹⁾ : | XBRL Instance Document |
| 101.SCH ⁽¹⁾ : | XBRL Taxonomy Extension Schema Document |
| 101.CAL ⁽¹⁾ : | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF ⁽¹⁾ : | XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB ⁽¹⁾ : | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE ⁽¹⁾ : | XBRL Taxonomy Extension Presentation Linkbase Document |

* as filed herewith

(1) Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Act of 1934 and otherwise are not subject to liability..

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/ John Swallow

John Swallow,

its: President

Date May 12, 2014

By: /s/ Delbert Steiner

Delbert Steiner,

its: Chief Executive Officer

Date: May 12, 2014

