

NEW JERSEY MINING CO
Form 10-Q
November 14, 2016

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 September 30, 2016

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)

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Idaho

(State or other jurisdiction of incorporation or organization)

82-0490295

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

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

(Address of principal executive offices) (zip code)

(208) 503-0153

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 November 1, 2016, 95,571,388 shares of the registrant's common stock were outstanding.

NEW JERSEY MINING COMPANY

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTERLY PERIOD

ENDED SEPTEMBER 30, 2016

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PART I-FINANCIAL INFORMATION**ITEM 1: CONSOLIDATED FINANCIAL STATEMENTS****New Jersey Mining Company****Consolidated Balance Sheets****September 30, 2016 and December 31, 2015****ASSETS**

	September 30, 2016 (Unaudited)	December 31, 2015
Current assets:		
Cash and cash equivalents	\$ 483,114	\$ 62,275
Joint venture receivables	315	3,109
Note receivable	58,386	58,386
Milling receivables	70,232	40,577
Timber Receivable	4,977	
Other current assets	61,577	40,350
Total current assets	678,601	204,697
Property, plant and equipment, net of accumulated depreciation	5,776,455	5,698,831
Mineral properties, net of accumulated amortization	2,009,913	1,907,089
Investment in joint venture	435,000	
Reclamation bond	58,000	
Deposit on equipment		13,982
Total assets	\$ 8,957,969	\$ 7,824,599

LIABILITIES AND STOCKHOLDERS EQUITY

Current liabilities:		
Accounts payable	\$ 173,744	\$ 58,267
Accrued payroll and related payroll expenses	30,975	14,513
Notes and interest payable related parties, current portion	90,638	88,114
Notes payable, current portion, net of discount	486,030	488,435
Forward gold contracts, current portion	887,943	
Total current liabilities	1,669,330	649,329

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Asset retirement obligation	32,624	28,656
Notes and interest payable related parties, long term	1,056,660	598,127
Notes payable, long term, net of discount	398,664	731,940
Forward gold contracts, long term	819,146	
Total long term liabilities	2,307,094	1,358,723
Total liabilities	3,976,424	2,008,052
Commitments (Note 3 and 9)		
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; September 30,		
2016-94,935,908 shares and December 31,		
2015-91,760,148 shares		
issued and outstanding	13,913,760	13,590,739
Accumulated deficit	(12,079,656)	(10,981,432)
Total New Jersey Mining Company stockholders equity	1,834,104	2,609,307
Non-controlling interests	3,147,441	3,207,240
Total stockholders' equity	4,981,545	5,816,547
Total liabilities and stockholders equity	\$ 8,957,969	\$ 7,824,599

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

New Jersey Mining Company

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

For the Three and Nine Month Periods Ended September 30, 2016 and 2015

	<u>September 30, 2016</u>		<u>September 30, 2015</u>	
	Three Months	Nine Months	Three Months	Nine Months
Revenue:				
Gold sales	\$ 45,854	\$ 123,518		
Milling income	6,500	21,114	\$ 603,129	\$ 1,866,499
Total revenue	52,354	144,632	603,129	1,866,499
Costs and expenses:				
Milling	51,241	146,428	379,201	1,149,491
Pre-development expenses	199,821	199,821		
Exploration	32,772	112,829	50,599	143,725
(Gain) on forfeiture of milling advance			(125,000)	(125,000)
Depreciation and amortization		3,214	43,523	145,710
Management	45,923	102,074	50,896	187,553
Professional services	32,776	87,766	32,978	152,636
General and administrative expenses	42,520	98,285	59,139	227,470
Total operating expenses	405,053	750,417	491,336	1,881,585
Operating income (loss)	(352,699)	(605,785)	111,793	(15,086)
Other (income) expense:				
Royalties and other income		(200)		
Timber income	(52,252)	(52,252)	(22,847)	(22,847)
Timber expense		428	4,800	7,025
Interest income	(1,483)	(4,532)	(1,265)	(3,965)
Interest expense	20,760	60,837	11,018	22,656
Change in fair value of forward gold contracts	466,783	466,783		
Amortization of note discount	42,249	67,157		
Total other (income) expense	476,057	538,221	(8,294)	(2,869)
Income tax (provision) benefit				
Net income (loss)	(828,756)	(1,144,006)	120,087	(17,955)
Net income attributable to non-controlling interest				