

NEW JERSEY MINING CO
Form 10-Q
May 15, 2018

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, 2018

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.)

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

(Address of principal executive offices) (zip code)

(208) 625-9001

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," "small reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ____.

Accelerated Filer ____.

Non-Accelerated Filer ____.

Smaller reporting company X .

Emerging growth company ____.

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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, 2018, 122,502,282 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, 2018

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PART I-FINANCIAL INFORMATION**Item 1: CONSOLIDATED FINANCIAL STATEMENTS****New Jersey Mining Company****Consolidated Balance Sheets****March 31, 2018 and December 31, 2017****ASSETS**

	March 31, 2018 (Unaudited)	December 31, 2017
Current assets:		
Cash and cash equivalents	\$ 379,202	\$ 124,617
Gold sales receivable	95,812	307,796
Inventories	186,992	245,154
Joint venture receivables	5,400	4,682
Other current assets	130,172	102,361
Total current assets	797,578	784,610
Property, plant and equipment, net of accumulated depreciation	6,161,479	5,890,961
Mineral properties, net of accumulated amortization	2,978,548	2,135,956
Investment in joint venture	435,000	435,000
Reclamation bond	103,320	103,320
Deposit on equipment	-	30,000
Total assets	\$ 10,475,925	\$ 9,379,847

LIABILITIES AND STOCKHOLDERS EQUITY

Current liabilities:		
Accounts payable	\$ 353,138	\$ 363,810
Accrued payroll and related payroll expenses	42,489	40,710
Notes and interest payable related parties, current portion	232,764	211,829
Notes payable, current portion	193,512	95,988
Payable mineral property purchase, current portion, net of discount (Note 8)	89,980	-
Forward gold contracts, current portion (Note 12)	290,701	568,609
Total current liabilities	1,202,584	1,280,946

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Asset retirement obligation	136,344	121,560
Notes and interest payable related parties, long term	1,033,737	601,082
Notes payable, long term	155,407	176,802
Payable-mineral property purchase, long term, net of discount (Note 8)	503,274	-
Forward gold contracts, long term (Note 12)	-	351,970
Total long term liabilities	1,828,762	1,251,414
Total liabilities	3,031,346	2,532,360
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; March 31, 2018-118,656,128 shares and December 31, 2017-112,310,372 shares	16,843,050	15,985,512
issued and outstanding		
Accumulated deficit	(12,503,558)	(12,250,319)
Total New Jersey Mining Company stockholders equity	4,339,492	3,735,193
Non-controlling interests	3,105,087	3,112,294
Total stockholders' equity	7,444,579	6,847,487
Total liabilities and stockholders' equity	\$ 10,475,925	\$ 9,379,847

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

New Jersey Mining Company

Consolidated Statements of Operations (Unaudited)

For the Three Month Periods Ended March 31, 2018 and 2017

	March 31	
	<u>2018</u>	<u>2017</u>
Revenue:		
Gold sales	\$ 1,101,391	689,318
Total revenue	1,101,391	689,318
Costs of Sales:		
Cost of sales and other direct production costs	1,025,719	527,766
Depreciation and amortization	69,061	27,280
Total costs of sales	1,094,780	555,046
Gross profit	6,611	134,272
Other operating expenses:		
Exploration	99,232	18,652
Management	21,802	42,557
Professional services	66,577	65,633
General and administrative	51,082	92,290
Total other operating expenses	238,693	239,132
Operating income (loss)	(232,082)	(84,860)
Other (income) expense:		
Royalties and other (income) expense	-	12,117
Interest income	(1,597)	(757)
Interest expense	25,342	20,226
Change in fair value of forward gold contracts	10,019	143,214
Amortization of discount on note payable	-	14,518
Total other (income) expense	33,764	189,318
Net loss	(265,846)	(274,178)
Net loss attributable to non-controlling interests	(12,607)	(11,033)
Net loss attributable to New Jersey Mining Company	\$ (253,239)	\$ (263,145)
Net loss per common share-basic and diluted	\$ Nil	\$ Nil
Weighted average common shares outstanding-basic and diluted	113,018,469	99,230,371

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

New Jersey Mining Company

Consolidated Statements of Cash Flows (Unaudited)

For the Three Month Periods Ended March 31, 2018 and 2017

	2018	March 31,	2017
Cash flows from operating activities:			
Net loss	\$	(265,846)	\$ (274,178)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:			
Depreciation and amortization		69,061	27,280
Amortization of discount on note payable			14,518
Accretion of asset retirement obligation		4,013	1,803
Stock based compensation		16,635	33,504
Change in fair value of forward gold contracts		10,019	143,214
Change in operating assets and liabilities:			
Gold sales receivables		211,984	(79,175)
Inventories		58,162	8,966
Joint venture receivable		(718)	(5,650)
Other current assets		(27,811)	20,822
Accounts payable		(10,672)	5,132
Accrued payroll and related payroll expenses		1,779	869
Interest payable related parties		3,659	5,516
Net cash provided (used) by operating activities		70,265	(97,379)
Cash flows from investing activities:			
Purchases of property, plant and equipment		(182,634)	(23,855)
Purchase of mineral property			