

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

Plan of Operation

New Jersey Mining Company is a gold producer focused on diversifying and building its asset base and cash flows through a portfolio of mineral properties located in historic producing gold districts in Idaho and Montana.

The Company's plan of operation is to generate positive cash flow, while reducing debt and growing its production and asset base over time while being mindful of corporate overhead. The Company's management is focused on utilizing its in-house skillsets to build a portfolio of producing mines and milling operations with a primary focus on gold and secondary focus on silver and base metals.

The Company's properties include: the Golden Chest Mine (currently in production), the New Jersey Mill (majority ownership interest), and a 50% carried to production interest in the past producing Butte Highlands Mine located in Montana. In addition to its producing and near-term production projects, New Jersey Mining Company has additional exploration prospects, including the McKinley and Eastern Star located in Central Idaho, and additional holdings near the Golden Chest in the Murray Gold Belt.

Highlights during the first quarter of 2019 include:

- For the quarter ending March 31, 2019 approximately 11,550 dry metric tonnes (dmt) were processed at the Company's New Jersey mill at a head grade of 3.20 grams per tonne (gpt) with gold recovery of 87.1%. A five-day mill schedule was started in March which has increased monthly mill production by approximately 40%. Gold sales for the quarter were 960 ounces.
- Open pit mining progressed from the 1012 bench to the 1009 bench. More mill feed has been mined per bench as mining has progressed to the Skookum shoot area of the vein. Open pit mine production averaged 1,040 tonnes per day (mineralized material and waste).
- Underground mining focused on access development for the 857 stope along with mining of the 848 stope. The 848 north stope advanced significantly during the quarter and the 848 south stope was started. The average grade of the 848 north stope has been encouraging with a grade of 8.50 gpt gold for over 100 meters of strike.
- Focused drilling on the Skookum area of the Golden Chest for a possible expansion of the underground mining operation, as well as resource expansion drilling to the south in the Paymaster and Joe Dandy areas.
- NJMC's core rig was used for development drilling in support of underground operations at the Golden Chest. Two drillholes, totaling 257 meters, successfully intercepted the Idaho Fault and associated gold-quartz veins in front of the 857 stope.
- A core hole, called the "layback" hole was completed to evaluate the potential for pit expansion to the north. The drilling intercepted a large interval of potentially bulk-mineable gold mineralization adjacent to the open pit. GC 18-175 returned 1.0 g/t gold over 33.6 meters true thickness starting from a depth of 40.7 meters below ground surface including 3.26 g/t over 3.7 meters just below the Idaho Fault.
- Exploration drilling intercepted high-grade gold mineralization in the Paymaster Shoot. Drillhole GC 18-176 returned 39.5 g/t gold over 0.41 meters from a depth of 89.5 meters, and 25.7 g/t gold over 0.49 meters from 124.1 meters. Drillhole GC 18-177 returned 18.2 g/t gold over 0.55 meters from a depth of 95.8 meters, and 70.3 g/t gold over 0.36 meters from 114.9 meters. All reported intervals are the true thickness of the vein.

Results of Operations

Our financial performance during the quarter are summarized below:

- The Company had a net loss of \$223,122 in the three months ending March 31, 2019 compared to a net loss of \$265,846 in 2018.
- Revenue was \$1,144,675 for the three month period ending March 31, 2019 compared to \$1,101,391 for the comparable period in 2018.
- The consolidated net income for the first three months included non-cash charges as follows: depreciation and amortization of \$128,951 (\$69,061 in 2018), accretion of asset retirement obligation of \$2,218 (\$4,031 in 2018), stock based compensation of \$16,635 in 2018, none in 2019, and change in fair value of forward gold contracts of \$10,019 in 2018, none in 2019.
- Net loss attributable to New Jersey Mining Company was \$205,404 and \$253,239 in the three months period ended March 31, 2019 and 2018 respectively.

Financial Condition and Liquidity

	For the Three Months Ended March 31,	
	2019	2018
Net cash provided (used) by:		
Operating activities	\$ (99,121)	\$ 70,265
Investing activities	(36,208)	(189,813)
Financing activities	(90,712)	374,133
Net change in cash and cash equivalents	(226,041)	254,585
Cash and cash equivalents, beginning of period	248,766	124,617
Cash and cash equivalents, end of period	<u>\$ 22,725</u>	<u>\$ 379,202</u>

The Company is currently producing from both the open-pit and underground at the Golden Chest Mine. In early March 2019 the Company increase production by 40 percent as more ore became available from the open pit and underground which is expected to improve cash flows from operations. In the past, the Company has been successful in raising required capital from sale of common stock, forward gold contracts, and additional debt. As a result of its planned production, equity sales and ability to restructure debt, management believes cash flows from operations and existing cash are sufficient to conduct planned operations and meet contractual obligations for the next 12 months.

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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, 2019, 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, 2019, 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.

Changes in internal control over financial reporting

There was no material change in internal control over financial reporting in the quarter ended March 31, 2019.

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 2018 the Company issued 5,012,423 shares of unregistered common stock at \$0.13 per share for net proceeds of \$607,570 net of commission and brokerage costs as a result of a private placement offering. No shares were issued in the first quarter of 2019.

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 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, 2019, 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

3.0*	<u>Articles of Incorporation of New Jersey Mining Company filed July 18, 1996</u>
3.1*	<u>Articles of Amendment filed September 29, 2003</u>
3.2*	<u>Articles of Amendment filed November 10, 2011</u>
3.3*	<u>Bylaws of New Jersey Mining Company</u>
10.1*	<u>Venture Agreement with United Mine Services, Inc. dated January 7, 2011.</u>
10.2*	<u>Idaho Champion Resources Lease with Cox dated September 4, 2013</u>
10.3**	<u>Rupp Mining Lease dated May 3, 2013</u>
10.4**	<u>Mining Lease with Hecla Silver Valley, Inc. Little Baldy prospect dated September 12, 2012</u>
10.5***	<u>Consent, Waiver and Assumption of Venture Agreement by Crescent dated February 14, 2014</u>
10.6	<u>Form of Forward Gold Purchase Agreement dated July 13, 2016 between the Registrant and Ophir Holdings LLC and incorporated by reference to the Company's Form 8-K as filed with the Securities and Exchange Commission on July 18, 2016.</u>
10.7	<u>Form of Forward Gold Purchase Agreement dated July 29, 2016 between the Registrant and Investors and incorporated by reference to the Company's Form 8-K as filed with the Securities and Exchange Commission on August 2, 2016.</u>
10.8	<u>Registrant's Grant of Options to Directors and Officers dated December 30, 2016, incorporated by reference to the Company's Form 8-K as filed with the Securities and Exchange Commission on January 4, 2017.</u>
10.9	<u>Form of Agreement to Purchase the "Four Square Property Group" of Patented and Un-Patented Mining Claims dated March 2, 2018, incorporated by reference to the Company's Form 8-K as filed with the Securities and exchange Commission on March 7, 2018</u>
10.10	<u>Asset Purchase Agreement with Hecla Silver Valley, Inc. to Sell Patented and Un-Patented Mining Claims dated May 18th, 2018 and reported on the Company's Form 8-K filed with the Securities and Exchange Commission on May 24, 2018.</u>
14*	<u>Code of Ethical Conduct.</u>
21*	<u>Subsidiaries of the Registrant</u>
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>
99(i)	<u>Audit Committee Pre-Approval Policies-Filed as an exhibit to the registrant's annual report on Form 10-KSB for the year ended December 31, 2003 and incorporated by reference herein.</u>
101.INS****	XBRL Instance Document
101.SCH****	XBRL Taxonomy Extension Schema Document
101.CAL****	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF****	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB****	XBRL Taxonomy Extension Label Linkbase Document
101.PRE****	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed with the Registrant's Form 10 on June 4, 2014.

** Filed July 2, 2014

*** Filed March 31, 2015.

**** Filed herewith.

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 and Chief Executive Officer
Date May 15, 2019

By: /s/ Grant Brackebusch

Grant Brackebusch,
its: Vice President and Chief Financial Officer
Date: May 15, 2019