

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 Companies 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 third quarter of 2018 include:

- For the quarter ending September 30, 2018 approximately 8,390 dry metric tonnes (dmt) were processed at the Company's New Jersey mill at a head grade of 2.40 grams per tonne (gpt) with gold recovery of 88.0%. Gold sales for the quarter were 847 ounces.
- Open pit mining progressed from the 1027 bench to the 1018 bench as we continued to advance through the low grade. Open pit mine production averaged 1,380 tonnes per day (mineralized material and waste).
- Placement of cemented rock fill (CRF) into the 851 stope was completed during the quarter and the new CRF batch plant performed well. Mining under the new backfill will commence in the fourth quarter. A second crew of miners was added to the underground mine and work began on the attack ramps to the 857 and 848 stopes. Production from these higher grade underground stopes will ramp up in the fourth quarter.
- Focused drilling on the [Katie-Dora] area of the Golden Chest for a possible expansion of the surface mining operation.
- Enhanced its Murray Gold Belt portfolio by adding the Giant Ledge Claim Group located southeast of the Golden Chest Mine. The Giant Ledge Project consists of 37 un-patented claims and covers the historic Giant Ledge and Raven mines.
- Continued trenching and sampling on our other holdings within the Murray Gold Belt in preparation for 2019/2020 exploration programs.
- In September the final payment was made on forward gold contracts entered into in July 2016 to resume operations at the Golden Chest mine. These payments were made quarterly including both cash and physical payments for a total equivalent of 904 ounces of gold paid over the two-year term.

Results of Operations

Our financial performance during the quarter and year to date is summarized below:

- The Company had a net loss of \$588,275 in the three months ending September 30, 2018 compared to a net income of \$128,608 in 2017. For the nine month period ending September 30, 2018 the Company had a net income of \$1,134,856 compared to a net income of \$38,828 for the same period in 2017.
- Revenue was \$1,032,845 and \$2,623,792 for the three and nine month periods ending September 30, 2018 compared to \$1,266,139 and \$3,218,147 for the comparable periods in 2017. The decrease in revenue from mining operations in 2018 is the result of lower grade mineralized material in the second and third quarter of 2018 as the open pit progressed between the Golden Chest and Skookum shoots.
- The consolidated net income for the first nine months included non-cash charges as follows: depreciation and amortization of \$249,551 (\$100,588 in 2017), amortization of discount on debt of \$8,016 (\$35,200 in 2017), accretion of asset retirement obligation of \$9,028 (\$6,327 in 2017), stock based compensation of \$34,580 (\$115,836 in 2017), change in fair value of forward gold contracts of \$15,983 (\$218,461 in 2017), and gain on sale of mineral property \$2,947,862 (none in 2017).

- Net income (loss) attributable to New Jersey Mining Company was (\$573,478) and \$1,179,269 in the three and nine months period ended September 30, 2018 respectively, compared to a net income attributable to New Jersey Mining Company of \$144,407 and \$81,935 in the three months and nine month periods ended September 30, 2017.

Financial Condition and Liquidity

	For the Nine Months Ended September 30,	
	2018	2017
Net cash provided (used) by:		
Operating activities	\$ (968,972)	\$ 231,785
Investing activities	2,265,042	(75,914)
Financing activities	(714,951)	(61,441)
Net change in cash and cash equivalents	581,119	94,430
Cash and cash equivalents, beginning of period	124,617	154,833
Cash and cash equivalents, end of period	\$ 705,736	\$ 249,263

The Company is currently producing from the open-pit at the Golden Chest Mine and began underground operations in early November 2017. Since 2017, with the exception of the second and third quarters of 2018, production has generated positive cash flow from operations and planned production for the next 18 months indicates the trend should improve. The Company has also been successful in raising required capital to continue production and fund ongoing operations, completing a forward gold sale of \$1.2 million in 2016, common stock and warrants sales of \$1,391,000 in 2017, and an additional \$1,107,571 in common stock and warrant sales in the first half of 2018. The Company also sold mineral property in the second quarter of 2018 for proceeds of \$3,000,000. The Company has utilized the proceeds for acquisition of mineral properties, equipment purchase, and debt reduction.

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.

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 September 30, 2018, 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 September 30, 2018, 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 September 30, 2018.

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. During the second quarter of 2018 the Company issued 3,846,154 shares of the Company's stock at \$0.13 per share for net proceeds of \$500,000 net of commission and brokerage costs as a result of a private placement offering. In the second quarter of 2018 8,000 shares of unregistered common stock were issued in exchange for options which were exercised at \$0.15 and an additional 100,000 shares of unregistered common stock were issued in exchange for options which were exercised at \$0.15 in the third quarter of 2018. No additional shares were issued in 2018.

During the first quarter of 2017 the Company issued 11,700,000 shares of unregistered common stock at \$0.10 per share for net proceeds of \$850,000 net of commission and brokerage costs as a result of two private placement offerings. No additional shares were issued by the Company in the second or third quarter of 2017.

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 September 30, 2018, 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*	Articles of Incorporation of New Jersey Mining Company filed July 18, 1996
3.1*	Articles of Amendment filed September 29, 2003
3.2*	Articles of Amendment filed November 10, 2011
3.3*	Bylaws of New Jersey Mining Company
10.1*	Venture Agreement with United Mine Services, Inc. dated January 7, 2011.
10.2*	Idaho Champion Resources Lease with Cox dated September 4, 2013
10.3**	Rupp Mining Lease dated May 3, 2013
10.4**	Mining Lease with Hecla Silver Valley, Inc. Little Baldy prospect dated September 12, 2012
10.5***	Consent, Waiver and Assumption of Venture Agreement by Crescent dated February 14, 2014
10.6	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.
10.7	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.
10.8	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.
10.9	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
10.10	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.
14*	Code of Ethical Conduct.
21*	Subsidiaries of the Registrant
31.1****	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2****	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1****	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2****	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
99(i)	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
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 November 14, 2018

By: /s/ Grant Brackebusch

Grant Brackebusch,
its: Vice President and Chief Financial Officer
Date: November 14, 2018