

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2018

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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
(Name of small business issuer in its charter)

Idaho

82-0490295

(State or other jurisdiction of incorporation or organization)

(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

Securities registered under Section 12(b) of the Exchange Act:
None

Securities registered under Section 12(g) of the Exchange Act:
Common Stock, No par value per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes No

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 if disclosure of delinquent filers in response to Item 405 of Regulation S-K is not contained herein, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging Growth Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

The aggregate market value of all common stock held by non-affiliates of the registrant, based on the average of the bid and ask prices on June 30, 2018 was \$21,193,125.

On March 1, 2019 there were 123,413,569 shares of the registrant's Common Stock outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K and the exhibits attached hereto contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Such forward-looking statements concern the Company’s anticipated results and developments in the Company’s operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. These statements include, but are not limited to, comments regarding:

- the establishment and estimates of mineralization;
- the grade of mineralization;
- anticipated expenditures and costs in our operations;
- planned exploration activities and the anticipated outcome of such exploration activities;
- plans and anticipated timing for obtaining permits and licenses for our properties;
- expected future financing and its anticipated outcome;
- anticipated liquidity to meet expected operating costs and capital requirements;
- our ability to obtain joint ventures partners and maintain working relationships with our current joint venture partners;
- our ability to obtain financing to fund our estimated expenditure and capital requirements; and
- factors expected to impact our results of operations.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- risks related to our limited operating history;
- risks related to our history of losses and our expectation of continued losses;
- risks related to our properties being in the exploration or development stage;
- risks related to our mineral operations being subject to government regulation;
- risks related to future legislation and administrative changes to mining laws;
- risks related to future legislation regarding climate change;
- risks related to our ability to obtain additional capital or joint venture partners;
- risks related to land reclamation requirements and costs;
- risks related to mineral exploration and development activities being inherently dangerous;
- risks related to our insurance coverage for operating risks;
- risks related to cost increases for our exploration and development projects;
- risks related to a shortage of equipment and supplies adversely affecting our ability to operate;
- risks related to mineral estimates;
- risks related to the fluctuation of prices for precious and base metals, such as gold and silver;
- risks related to the competitive industry of mineral exploration;
- risks related to our title and rights in our mineral properties and mill;
- risks related to joint venture partners and our contractual obligations therewith;
- risks related to potential conflicts of interest with our management;
- risks related to our dependence on key management;
- risks related to the New Jersey Mill operations, management, and milling capacity;
- risks related to our business model;
- risks related to evolving corporate governance standards for public companies; and
- risks related to our shares of common stock.

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the sections titled “Description of Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated, or expected. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. We disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events, except as required by law.

We qualify all the forward-looking statements contained in this Annual Report by the foregoing cautionary statements.

GLOSSARY OF SIGNIFICANT MINING TERMS

Ag-Silver.

Au-Gold.

Alluvial-Adjectivally used to identify minerals deposited over time by moving water.

Argillites-Metamorphic rock containing clay minerals.

Arsenopyrite-An iron-arsenic sulfide. Common constituent of gold mineralization.

Ball Mill-A large rotating cylinder usually filled to about 45% of its total volume with steel grinding balls. The mill rotates and crushed rock is fed into one end and discharged through the other. The rock is pulverized into small particles by the cascading and grinding action of the balls.

Bedrock-Solid rock underlying overburden.

Cu-Copper.

CIL-A standard gold recovery process involving the leaching with cyanide in agitated tanks with activated carbon. CIL means "carbon-in-leach."

Crosscut-A nominally horizontal mine passageway, generally driven at right angles to the strike of a vein.

Dip-Angle made by an inclined surface with the horizontal, measured perpendicular to strike.

Deposit-A mineral deposit is a mineralized body that has been intersected by sufficient closely-spaced drill holes or underground sampling to support sufficient tonnage and average grade(s) of metal(s) to warrant further exploration or development activities.

Drift-A horizontal mine opening driven on the vein. Driving is a term used to describe the excavation of a mine passageway.

Exploration Stage-As defined by the SEC-includes all issuers engaged in the search for mineral deposits (reserves), which are not in the production stage.

Fault-A fracture in the earth's crust accompanied by a displacement of one side of the fracture with respect to the other and in a direction parallel to the fracture.

Flotation-A physiochemical process for the separation of finely divided solids from one another. Separation of these (dissimilar) discrete solids from each other is affected by the selective attachment of the particle surface to gas bubbles.

GPT-grams per metric tonne.

Galena-A lead sulfide mineral. The most important lead mineral in the Coeur d'Alene Mining District.

Grade-A term used to assign the concentration of metals per unit weight of ore. An example-ounces of gold per ton of ore (opt). One troy ounce per short ton is 34.28 parts per million or 34.28 grams per metric tonne.

Mill-A general term used to denote a mineral processing plant.

Mineralization-The presence of minerals, usually of potential economic significance, in a specific area or geologic formation.

Net Smelter Return ("NSR")-The Net Smelter Return from a processed ore is the value recouped from the mineral products less the costs associated with smelting, refining, and transport to the smelter. The NSR specifically does not permit the deduction of mining and milling costs.

Ore-A mineral or aggregate of minerals that can be mined and treated at a profit. A large quantity of ore that is surrounded by waste or sub-ore material is called an orebody.

Patented Claim-A mineral claim where the title has been obtained from the U.S. federal government through the patent process of the 1872 Mining Law. The owner of the patented claim is granted title to the surface and mineral rights.

Production Stage-As defined by the SEC-includes all issuers engaged in the exploitation of a mineral deposit (reserve).

Pyrite-An iron sulfide mineral that usually has no commercial value but is commonly associated with mineral deposits of gold, copper, and other metals.

Quartz-Crystalline silica (SiO₂). An important rock-forming and gangue material in veins or other types of mineral deposits.

Quartzites-Metamorphic rock containing significant amounts of quartz.

Raise-An underground opening driven upward, generally on the vein.

Ramp-An underground opening usually driven downward, but not always, to provide access to an orebody for rubber-tired equipment such as loaders and trucks. Typically ramps are inclined at a slope grade of approximately 15% .

Reserves-That part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. Reserves are subcategorized as either proven (measured) reserves, for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings, or drill holes, and grade and/or quality are computed from the results of detailed sampling, and (b) the sites for inspection, sampling, and measurement are spaced so closely and geologic character is so well defined that size, shape, depth, and mineral content are well-established; or probable (indicated) reserves, for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, yet the sites for inspection, sampling and measurement are farther apart.

Royalty or NSR Royalty-A mineral royalty is a percentage of the value extracted from an ore that is paid to an interest holding party, usually a claim owner. The NSR Royalty is calculated based on the value of the processed ore after deducting the costs of smelting, refining, and transport to a smelter. However, the cost of mining and milling is not deducted. Typical NSR Royalty rates in the United States are on the order of 1–5%.

Shoot – A body of ore, usually of elongated form, extending downward or upward in a vein.

Stope-An underground void created by the mining of ore.

Strike-The bearing or azimuth of the line created by the intersection of a horizontal plane with an inclined rock strata, vein or body.

Tellurium-Relatively rare chemical element found with gold and silver that can form minerals known as tellurides.

Tetrahedrite-Sulfosalt mineral containing copper, antimony, and silver.

Vein-A zone or body of mineralized rock lying within boundaries separating it from neighboring wallrock. A mineralized zone having a more or less regular development in length, width and depth to give it a tabular form and commonly inclined at a considerable angle to the horizontal.

Unpatented Claim-A mineral claim staked on United States Public Domain (USPD) that is open for mineral entry. Unpatented lode claims can be no more than 1,500 feet long by 600 feet wide. The claimant owns the mineral rights, but does not own the surface, which is USPD. Any exploration or mining on the claim must first be submitted in a plan of operations (POO) for approval to the appropriate federal land management entity.

Wallrock-Usually barren rock surrounding a vein.

PART I

ITEM 1. DESCRIPTION OF THE BUSINESS

Business

New Jersey Mining Company (“the Company” or “NJMC”) is a gold producer with an established base in three historic mining districts in the Western United States. The Company’s primary source of revenue comes from its operating gold mine, the Golden Chest Mine located in the Murray Gold Belt of north Idaho.

New Jersey Mining Company (“the Company” or “NJMC”) was incorporated under the laws of the State of Idaho on July 18, 1996. The Company’s head office and registered records office is located at 201 N. 3rd St. Coeur d’Alene, ID 83814.

Any Bankruptcy, Receivership or Similar Proceedings

There have been no bankruptcy, receivership, or similar proceedings.

Any Material Reclassification, Merger, Consolidation, or Purchase or Sale of a Significant Amount of Assets Not in the Ordinary Course of Business.

There have been no material reclassifications, mergers, consolidations, purchases, or sales not in the ordinary course of business for the past three years.

BUSINESS OF THE COMPANY

General Description of the Business

New Jersey Mining Company (NJMC) was incorporated in the State of Idaho on July 18, 1996. The Company is an established gold producer, with surface and underground mining operations at its 100-percent owned Golden Chest Mine and milling operations at its majority-owned New Jersey Mill. Its business strategy is to grow its asset base and mineral production over time, relying primarily on its in-house skill sets to eventually become a mid-tier gold producer. The Company holds mineral properties in three historic mining districts of Idaho and Montana. Its portfolio of mineral properties includes:

- The Golden Chest Mine, a producing gold mine located in the Murray Gold Belt (MGB) of North Idaho;
- Advanced stage, pre-development surface and underground property, adjacent to the Golden Chest Mine;
- A significant portfolio of early-stage exploration properties within the MGB, many of which include historic gold mines and known gold mineralization;
- A significant portfolio of early-stage exploration properties in Central Idaho, primarily in the Elk City area, and;
- The Butte Highlands Mine (50-percent interest), an advanced-stage project which has seen considerable development work, located south of the city of Butte, in Western Montana;

In addition to its portfolio of Exploration, Pre-Development, and Producing properties, the Company is also the manager and majority-owner of the New Jersey Mill, which currently processes ore from the Golden Chest Mine. The New Jersey Mill can process gold and silver ore through a 360-tonne per day flotation plant.

During the last two years, the Company has focused its efforts on development and production at the Golden Chest Mine with an aggressive two-year pay back plan of all start-up costs. With all debt associated with the start-up of operations paid in full, the Company significantly increased its exploration and expansion activities in the Murray Gold Belt. This progress combined with the existing infrastructure and development over the last two years has created a solid foundation for continued growth and a base of value regardless of market cycles.

Competitive Business Conditions

While there has been a market for gold and precious metals historically, the Company competes on several different fronts within the minerals exploration industry. The Company competes with other junior mining companies for the capital necessary to sustain its exploration and development programs. NJMC also competes with other mining companies for exploration properties and mining assets, mostly properties in the western United States. In recent years, the Company has been successful in resuming operations at the New Jersey Mill, consolidating 100% ownership of the Golden Chest Mine and acquiring a 50% interest in the Butte Highlands Joint Venture. Prior to consolidating 100% of the Golden Chest Mine, the Company also received revenue on a per tonne basis for processing ores from the Golden Chest Mine in 2014 and 2015.

In October 2016 production at the Golden Chest resumed with the Company as the sole owner and operator. While not its core business, the New Jersey Mill has little competition for contract milling within an approximate 175-mile radius; however, it is conceivable that fuel prices and other factors could expand the market to include mines outside of the area.

Generally, the Company is subject to the risks inherent to the mineral industry. A primary risk of mineral exploration is the low probability of finding a major ore deposit. The Company attempts to mitigate this risk by focusing its efforts in areas known to host significant mineral deposits, and also by relying on its experienced management team to drive

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analysis, evaluation, and acquisition of properties that it feels have a higher-than-average probability of success. In addition to deal essentials, such as cost, terms, timing, and market considerations, the Company's process of property acquisition involves screening target properties based on geological, economic, engineering, environmental, and metallurgical factors. In all of its operations the Company competes for skilled labor within the mining industry.

The risks associated with the Company's mining and milling operations include other risks typical of the mining industry, such as: operational effectiveness in the processing plant that could result in lower recovery of the economic metals, mechanical failure of equipment that could increase costs or decrease efficacy, ability to hire and retain qualified operators, and risks that the mining operations are unable to economically extract material due to ground or slope failures that increase cost. The Company manages these risks with detailed mine planning and extraction processes, a preventive maintenance program, and installing experienced and technically proficient management.

Another significant risk in the mining industry is the price of metals such as gold and silver. If the prices of these metals were to fall substantially it could lead to a loss of investor interest in the mineral exploration sector, which would make it more difficult to raise the capital necessary for the Company or other potential customers to move exploration and development plans forward.

Effect of Existing or Probable Governmental Regulations on the Business

The mining business is subject to extensive federal, state and local laws and regulations governing development, production, labor standards, occupational health, waste disposal, the use of toxic substances, environmental regulations, mine safety and other matters. The Company is subject to potential risks and liabilities occurring as a result of mineral exploration and production. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to the Company (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. Laws and regulations intended to ensure the protection of the environment are constantly changing and are generally becoming more restrictive.

All operating and exploration plans have been made in consideration of existing governmental regulations. Regulations that most affect operations are related to surface water quality and access to public lands. An approved plan of operations (POO) and a financial bond are usually required before exploration or mining activities can be conducted on public land that is administered by the United States Bureau of Land Management (BLM) or United States Forest Service (USFS).

The New Jersey Mine, Golden Chest Mine, and other nearby properties are part of the expanded Bunker Hill Superfund Site. Current plans for expanded cleanup do not include any NJMC projects. There is no known evidence that previous operations at the New Jersey Mine (prior to 1910) caused any groundwater or surface water pollution or discharged any tailings into the South Fork of the Coeur d'Alene River; however, it is possible that such evidence could surface. Should such a liability emerge for the Company, its exposure would likely be to clean up or cover old mine tailings that may have washed downstream from upstream mining operations. There are no mineral processing tailings deposits at the Golden Chest Mine. However, at least two old adits have small water discharges. The Company could conceivably be required to conduct cleanup operations at its own expense, however, the Environmental Protection Agency's (EPA) Record of Decision for the Bunker Hill Mining and Metallurgical Complex Operating Unit 3 does not include any cleanup activities at the Company's projects. Recently, the EPA has proposed a new cleanup plan that greatly increases the number of historic mine sites to be reclaimed, however, the plan has not been approved. NJMC has not received any notifications that it could be liable for any environmental cleanup.

Costs and Effects of Compliance with Environmental Laws (Federal, State and Local)

No major Federal permits are required for the Golden Chest and New Jersey Mines because the operations are on private land and there are no process discharges to surface waters. However, any exploration program conducted by the Company on unpatented mining claims, usually administered by the BLM or USFS, requires a POO to be submitted. The Company's exploration programs on public land can be delayed for significant periods of time (one to two years) because of the slow permitting process applied by the USFS. The Company believes that such permitting delays are caused by insufficient manpower, complicated regulations, competing priorities, and sympathy for environmental groups who oppose all mining projects.

The Company is also subject to the rules of the U.S. Department of Labor, Mine Safety and Health Administration (MSHA) for the New Jersey and Golden Chest operations. When an underground mine or mill is operating, MSHA performs a series of regular quarterly inspections to verify compliance with mine safety laws, and can assess financial penalties for violations of MSHA regulations. A typical mine citation order for a violation that is not significant or substantial is about \$200.

The New Jersey Mine and Mill have two important State of Idaho permits. The first is an Idaho Cyanidation Permit and the second is a reclamation plan for surface mining operations. No permit is required for the current flotation process as there is no discharge of water to surface waters and the tailings impoundment is less than 30 feet high from toe to crest in height. An Idaho cyanidation permit was granted October 10, 1995 [No. CN-000027]. Construction of the Concentrate

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Leach Plant (CLP) at the New Jersey Mill was completed in November of 2007. The Idaho Cyanidation permit requires quarterly surface water and groundwater monitoring during the operation of the CLP. NJMC estimates the cost of water-monitoring associated with the CLP to be approximately \$6,000 per year.

The Idaho Department of Lands (IDL) approved a surface mining reclamation plan for the New Jersey Mine in 1993. The plan calls for grading of steep fill slopes and planting of vegetation on the area disturbed by the open pit mine. NJMC pays an annual reclamation fee of \$133 to the Idaho Department of Lands for surface disturbance associated with the New Jersey Mine open pit. The Company has estimated its costs to reclaim the New Jersey Mine and Mill site to be \$95,000. The Company submitted a reclamation plan to the IDL for its current open pit mining operation at the Golden Chest Mine. The plan was approved and the Company was required to post a reclamation bond of \$103,320. This plan also calls for the grading of steep fill slopes and re-vegetation of disturbed land as well as erosion control measures utilizing best practices.

When the Company plans an exploration drilling program on public lands, it must submit a POO to either the BLM or USFS. Compilation of the plan can take several days of professional time and a reclamation bond is usually required to start drilling once the plan is approved. Bond costs vary directly with surface disturbance area, but a small, single set-up drilling program usually requires a bond amount of approximately \$5,000. If a plan requires road building, the bond amount can increase significantly. Upon completion of site reclamation and approval by the managing agency, the bond is returned to the Company.

The Company complies with local building codes and ordinances as required by law.

Number of Total Employees and Number of Full Time Employees

The Company's total number of full time employees is 24.

REPORTS TO SECURITY HOLDERS

The Company is not required to deliver an annual report to shareholders, however, it plans to deliver an annual report to shareholders in 2019. The annual report will contain audited financial statements. The Company may also rely on the Internet to deliver annual reports to shareholders.

The Company filed a Form 10-SB with the Securities and Exchange Commission on January 11, 2000. The filing became effective on January 27, 2000. The Company has filed the required annual 10-K reports, quarterly 10-Q reports, and 8-K reports since that time up to the Form 10-K report that was filed for 2012. A Form 15 was filed on May 15, 2013 suspending Company filing for the 2013 filing year. A Form 10 was subsequently filed on July 2, 2014 to return the Company to reporting status.

The SEC maintains an Internet site (<http://www.sec.gov>) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Commission and SEC.

The Company maintains a website where recent press releases and other information can be found. A link to the Company's filings with the SEC is provided on the Company's website www.newjerseymining.com.

ITEM 2. DESCRIPTION OF PROPERTIES



Figure 1 - Project Location Map

GOLDEN CHEST MINE



Figure 2 - Photo of New Golden Chest Mine in September 2018

Property Location

The Golden Chest Mine is comprised of an underground mine, an open pit mine, and an exploration project located about 1.5 miles east of Murray, Idaho, comprised of 25 patented mining claims (280 acres) and 90 unpatented claims (1,390 acres). The site is along Forest Highway 9 and is accessible by several improved dirt roads from the paved highway. A three-phase power line was installed at the property in 2014 with power supplied by Avista Utilities.

Property Ownership

NJMC owns 100% of the Golden Chest LLC (owner of the Golden Chest Mine). The Company consolidated its ownership in December 2015, purchasing Marathon Gold Corporation's ("Marathon") 52.22% stake in Golden Chest LLC for \$180,000 along with a 2% NSR on production from the Golden Chest property, as well as an adjacent Area of Interest. Golden Chest LLC purchased the mine from Metaline Contact Mines and J.W. Beasley Interests for \$3.75-million. The purchase was financed through a promissory note of \$3,250,000 after a down payment of \$500,000. On October 25, 2017, NJMC paid off the remaining balance owed on the note.

Property History

The Golden Chest Mine was developed in the late 1800's through the early 1900's as part of the first gold production from the Coeur d'Alene Mining District. Historical accounts vary, but the district is believed to have produced approximately 300,000 ounces of gold from placer sources. It is estimated that the historic hard rock mining operations on the Golden Chest property produced approximately 65,000 ounces of gold, primarily from shallow, underground, high-grade veins. The Golden Chest Mine is considered to be the largest historic lode producer of gold in northern Idaho.

Modern exploration of the Golden Chest area began in the late 1970's with several companies, including Cominco-American and Golden Chest Inc. ("GCI"), targeting gold and massive sulfides. Drill tests by GCI included a 200-foot hole from surface that intersected a 60-foot zone containing multiple low-grade gold-bearing quartz veins.

Newmont Exploration Ltd. followed GCI's discovery by evaluating the veins for bulk mineable potential in the late-1980s. A geochemical survey yielded soil samples from the mine area that were anomalous in both gold and arsenic, indicating a well-developed vein system. Newmont then drilled 35 shallow reverse-circulation and five core holes, establishing an historic resource, most of which is related to the Idaho Vein system on the south end of the property.

Present Condition, Work Completed, and Exploration Plans

Exploration & Development by NJMC & Golden Chest LLC

NJMC first leased the property in 2003, then explored, drilled, and developed it over subsequent years, producing 8,400 tonnes of ore averaging 6.9 gpt gold, all of which was processed at its New Jersey Mill for total production of nearly 2,000 ounces of gold. From 2004 through 2008, the Company completed an exploration core drilling program at the Golden Chest totaling 3,415 meters of core during that period, successfully extending the Idaho Vein below the No. 3 Level. NJMC connected the historic No. 3 Level to the surface by driving a 440-meter ramp (the "North Ramp"), which was completed in 2008.

In 2010, NJMC terminated its operating leases to form Golden Chest LLC with Marathon. NJMC contributed certain mining claims, all geological data, and mining equipment to the venture, while Marathon contributed \$4-million cash. As Marathon is a Canadian issuer, the joint venture operated and issued technical disclosures in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101).

In 2011, Golden Chest LLC completed the most aggressive exploration project in the history of the property, totaling 11,300 meters of surface drilling. Other work completed included the construction of a new core shed, construction of new roads, surface geological work, surface and underground surveying, underground exploration drifting, and mine rehabilitation. In 2012, Golden Chest LLC completed an additional 7,000 meters of drilling and exploration drifting on the Popcorn Vein. Based on the results of those work programs, Golden Chest LLC delineated an updated gold resource and filed a technical report in compliance with NI 43-101.

As part of the Company's efforts to seek a listing on the Canadian Stock Exchange an updated National Instrument 43-101 Technical Report was completed and released. The report included current mining operations and activity that occurred in 2016 and 2017.

The Juniper Lease & Mine Modernization

In September 2013, the Skookum Shoot portion of the Golden Chest property was leased to Juniper, which later reassigned the lease to Gold Hill, an affiliate company. Gold Hill began construction in Q3 2014, spending an estimated \$7 to \$9-million on mine development and infrastructure, building a modern gold mine that reached production in May 2015. Mining activities continued until September 2015 when Gold Hill ceased operations and terminated its lease, forfeiting the mine and infrastructure back to Golden Chest LLC.

While in operation, NJMC processed Golden Chest ore at its New Jersey Mill, earning cash from milling fees and its share of a 2% net smelter return ("NSR") royalty on gold production. In total, Gold Hill mined 40,840 dry metric tonnes of ore at an average grade of 6.70 gpt gold, resulting in production of approximately 8,000 ounces of gold.

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Underground Operations

NJMC completed the first stope cut on the 851 level in mid 2018. Commissioning of the cemented rockfill (CRF) backfill plant was completed during the summer of 2018, and backfilling was completed in the third quarter of 2018. A second haul truck and LHD were added to the company's underground mining fleet at this time, and a second mining crew and mechanic were hired during the third quarter as well. Additional development of stope access ramps was completed during the third quarter. Mining under backfill produced and placed by NJMC was successfully completed in fourth quarter of 2018. A total of 4,260 tonnes were mined during the startup phase of underground mining operations in 2018. The average grade of the underground material was 7.0 gpt Au.

Open-Pit Gold Production at Golden Chest

In 2016, NJMC used its internal study, including tightly-spaced drill data in an outcrop area, to identify a mineable open-pit near the Idaho Vein outcrop. Following the receipt of necessary permits, the Company began pit excavation and resumed gold production in Q3 2016 and resumed shipping ore to the New Jersey Mill in Q4 2016. Surface mining continued through 2017, producing approximately 3,525 ounces of gold for the year. An expanded pit was permitted in 2017 and surface mining continued through an area of increased waste stripping between shoots of gold mineralization and a total of 2,540 ounces were recovered from the open pit in 2018.

While significant modern drilling, underground development, and pit excavation have resulted in industrial scale mining and recovery of gold, there are no mineral reserves at the Golden Chest, as recognized by the SEC.

Exploration Plans

Modern exploration, including nearly 30,000 meters of drilling, reveals six NW-trending ore shoots at Golden Chest that demonstrate strong periodicity, consistent width and spacing, along the Idaho Fault. Most historic production came from the northernmost of these shoots, the Katie-Dora and the Klondike. Excellent mineralization potential remains in unmined portions of the northern shoots as well as in the unmined Paymaster and Joe Dandy shoots to the south. Drilling is planned at depth for the entire the strike length of the Idaho Fault at the property. The Company also plans to evaluate the potential of heap leaching the moderate grade, oxidized footwall material with a laboratory column test. The results of this test could drive future exploration and development efforts.

Recent data compilation efforts by NJMC have integrated all available modern exploration data from the property and across the Murray area, including work by Cominco, Newmont, NJMC, Golden Chest LLC, and the recent information provided by Gold Hill. Based on these studies and the Company's own exploration results, management believes the Golden Chest property has district-scale production potential for the longer term, not only near the recently constructed mine, but in areas of past exploration and historic production.

Present Condition of Plant & Equipment

During the lease, Gold Hill made many improvements to the Golden Chest property including approximately 1,000 meters of underground development at a nominal cross section of 4 meters by 4 meters, the establishment of a secondary escape-way and ventilation raises, the installation of three-phase power, and many surface improvements such as a septic field and a new haul road to keep mine traffic separate from employee and visitor traffic. NJMC constructed a 2,500 square-foot steel-clad pole building in 2011 which stands at the top of the most easterly driveway to the property and is used primarily for office space and core logging. A 600 square-foot steel-clad pole building, constructed by NJMC in 2005, is also present near the northern ramp portal.

Geology & Mineralization

Gold mineralization occurs in veins associated with multiple faulting and folding events in the Coeur d'Alene Mining District. The gold mineralization is of a broad type known as orogenic gold, but it also appears to have an association with igneous rock activity. Hence, the vein deposits may be described as intrusion-related orogenic gold. The principal vein being exploited at the Golden Chest Mine is associated with the Idaho Fault, which juxtaposes the quartzites of the upper Prichard Formation against finer-grained argillites, also of the upper Prichard Formation.

Veins occur adjacent to the Idaho Fault and in its footwall but to a lesser extent in its hangingwall. The mineralization occurs in two types of quartz veins, banded and massive, that are generally conformable to bedding in the Proterozoic age Prichard Formation. Banded veins, which occur primarily in argillite, contain, pyrite, arsenopyrite, galena, sphalerite and visible gold. Thicker, massive veins occur in quartzite and contain pyrite, galena, chalcopyrite, sphalerite, scheelite and visible gold.

NEW JERSEY MILL

Property Location

The New Jersey Mill is a fully-permitted, 360-tonne per day, flotation mill and concentrate leach plant (“CLP”) located two miles east of Kellogg, Idaho, in the Coeur d'Alene Mining District. The mill is located on the same property as the New Jersey Mine, adjacent to U.S. Interstate Highway 90 and easily accessed year-round by local roads. Three-phase electrical power is supplied to the New Jersey Mill by Avista Utilities.

Project Ownership

In 2011, NJMC signed a joint venture (“JV”) agreement with United Mine Services (“UMS”), a wholly-owned subsidiary of United Silver Corporation, to increase the capacity of the New Jersey Mill. UMS funded the mill expansion in return for a 35% interest in JV assets plus the right to process 7,000 tonnes of its ore per month. NJMC is the JV manager and retains a 65% interest in JV assets as well as the right to process its own ore at the rate of 3,000 tonnes per month and to allocate unused and excess capacity in its role as manager. The property covered by the JV agreement includes the crushing circuit, grinding circuit, gravity circuit, flotation circuit, CLP, buildings and surface rights only over the patented mill site claim. Unpatented mill site claims are also part of the JV.

Present Condition of Plant & Equipment

Mill Expansion and Crescent Ore Processing

The mill expansion was completed in 2012, rendering the mill capable of processing 360 tonnes of sulfide ore per day (a four-fold increase) to produce a single flotation concentrate. The expansion cost approximately \$3.2 million, all of which was funded by UMS under terms of the JV (Ex. 10.1). The expansion project included the installation of a new cone crusher, a new fine ore bin, new conveyors, a new 2.4-meter by 4.0-meter ball mill, additional flotation cells, a new paste thickener, associated pumps, and a new building. Subsequent to the mill expansion, the New Jersey Mill processed 8,470 dry tonnes of silver ore from the Crescent Mine before operations ended.

In April 2014, Hale Capital Partners, through its subsidiary Crescent Silver LLC (“Crescent”), acquired the assets of UMS, including its stake in the New Jersey Mill JV, in a consensual foreclosure process. Therefore, Crescent is now the NJMC’s joint venture partner at the New Jersey Mill.

Mill Upgrades and Golden Chest Ore Processing

In September 2013, the Skookum Shoot portion of the Golden Chest Mine was leased to Juniper Resources LLC which, through its affiliate companies, developed a modern gold mine that reached full production in May 2015. NJMC processed Golden Chest ore at its New Jersey Mill, earning cash from milling fees and its share of a 2-percent net smelter return royalty on gold production.

Significant additional upgrades, including installation of a new gravity gold recovery circuit and a tune up of the crushing, grinding, flotation, and tailings circuits were completed in 2014 in anticipation of ore deliveries from the Golden Chest Mine. From December 2014 through September 2015, 40,840 dry tonnes from the Golden Chest Mine were successfully processed at the New Jersey Mill producing approximately 8,000 ounces of gold.

In addition to producing concentrates in 2015, NJMC leached approximately 10 tonnes of flotation concentrate, produced from Golden Chest ore, in the CLP at the New Jersey Mill. An improved leaching process that employs a Carbon-in-Leach finishing tank was tested, with objectives of reduced process time and increased gold recovery. Test results provided an understanding of which capital improvements to the leach circuit will be necessary to reach these objectives and also, as expected, confirmed that Golden Chest concentrates are amenable to leaching.

Current Ore Processing Operations

NJMC now has 100-percent ownership of the Golden Chest Mine. In October 2016, the Company resumed operations at the New Jersey Mill, processing ore extracted from open-pit development at the Golden Chest.

The mill recycles process water and utilizes a paste tailings disposal process patented by NJMC founder Fred Brackebusch to minimize impacts to the environment. By implementing paste tailings processing methods, NJMC is able to recycle process water and prevent the discharge of process water to surface waters. At full capacity, this method saves more than 50 million gallons of water per year. NJMC was recognized as a “Pollution Prevention Champion” by the Idaho Department of Environmental Quality in 2014 for its efforts to reduce pollution at the mill.

As of December 31, 2018, the Company had a net capital cost of \$4,396,920 associated with the New Jersey Mill.

BUTTE HIGHLANDS PROJECT

Property Location

In January 2016, NJMC purchased a 50% interest in Butte Highlands Joint Venture LLC (“BHJV”) from Timberline Resources Corporation (“Timberline”). BHJV owns the Butte Highlands Gold Project, located 15 miles south of Butte, Montana, within a gold-producing region that includes several large gold deposits. The property can be accessed via State Highway 2 and county and USFS roads. Electricity and water are available on the property.

Property Ownership

The Butte Highlands property covers approximately 135 acres and includes 11 patented claims. All of the private lands within the Butte Highlands property are patented lode and placer claims. BHJV is responsible for paying Montana state property taxes on all patented lands and for paying annual BLM maintenance fees on any unpatented mining claims.

Butte Highlands Joint Venture

In 2009, Timberline formed a 50/50 joint venture, the BHJV, with Highland Mining LLC (“Highland”) for the purpose of developing and mining the Butte Highlands property, with Highland to fund all mine development costs through to commercial production. In 2012, Montana State Gold Company LLC (“MSGC”) purchased Highland, assuming its project loan and its funding commitment.

NJMC purchased Timberline’s 50% “carried to production” interest in BHJV in 2016, with Highland funding all development costs and NJMC’s 50% share of costs to be paid from proceeds of future mine production. Proceeds are to be split on an 80/20 basis (to Highland and NJMC, respectively) until payback is reached, after which proceeds will be split evenly.

Property History

The Butte Highlands gold mine was an historic lode mine that produced an estimated 60,000 ounces of gold from 1937 until the War Production Board forced its closure at the onset of WWII. The property was later explored by Battle Mountain, Placer Dome, ASARCO, and Orvana in the 1980’s and 1990’s which, in total, drilled more than 30,000 meters at Butte Highlands, prior to its acquisition by Timberline in 2007.

In 2009, Timberline formed a 50/50 joint venture with Highland to create BHJV for the purpose of developing and mining the property. In 2009 and 2010, Timberline conducted surface exploration, drilling, and permitting work as Highland began building surface and underground infrastructure.

In 2011, BHJV completed an underground exploration ramp and a 16,000-meter underground core drilling program to support mine modeling, focusing on the upper portion of the “Old Mill Block” which has dimensions of approximately 85 meters along strike, 335 meters down dip, and a mineralized thickness of 2.5 to 4.5 meters. The program returned many significant mineralized intercepts, including a highlight of 4.4 meters grading 232 gpt gold.

A NI 43-101 compliant technical report for Butte Highlands was completed in May 2013 by Mine Development Associates of Reno, Nevada.

The project has experienced significant timeline delays due, in part, to miscalculations of the permitting process and other technical issues. Permitting advanced more effectively from 2013 to 2015 with the following critical milestones successfully achieved:

- In July 2013, the Montana Department of Environmental Quality (“DEQ”) issued the final Montana Pollutant Discharge Elimination System (“MPDES”) water discharge permit;
- In January 2015, the Montana DEQ authorized BHJV to construct and operate an underground gold mine by publishing positive Record of Decision (“ROD”) on Final Environmental Impact Statement (“EIS”);
- In October 2015, the U.S. Forest Service (“USFS”) released its Final Decision Notice on haul road with a Finding of No Significant Impacts.

These milestones represent the final major hurdles to the receipt of necessary permits allowing the project to proceed. Final construction designs and completion of work will be required, along with bond payments, before final authority is granted to proceed with the proposed operation. Once final designs and road construction are complete, the USFS will grant authority to use local USFS roads for material haulage. Upon payment of the reclamation bond, the Hard Rock Operating Permit will be granted by the Montana DEQ.

Present Condition, Work Completed, and Exploration Plans

Prior to NJMC’s purchase of its stake in BHJV, the BHJV partners envisioned a 4 to 5-year mine life with estimated annual production of 30,000 to 35,000 ounces of gold. Mining was proposed to be conducted by cut and fill methods at a rate of 400 tons per day with a cut-off grade estimated at 4.8 gpt gold. Waste rock will be replaced underground as cemented rock backfill in the mined ore zones to supply geotechnical stability. Preliminary metallurgical testwork indicates recoveries of approximately 85% of the contained gold in a flotation concentrate. Based on a draft internal

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scoping study produced by Timberline, NJMC Management purchased the Company's interest in Butte Highlands with a belief that the deposit has the potential to contain 300,000 to 500,000 ounces of gold.

NJMC is working to advance an agreement to assume management control of the Butte Highlands Project. If successful in negotiating a definitive agreement, NJMC will evaluate the possibility of building an on-site mill, which will require additional permitting but may improve overall economics of the project.

Present Condition of Plant & Equipment

Highland has invested nearly \$40-million at Butte Highlands building a modern gold mine, including nearly a mile of underground mine development and construction of surface facilities, all of which are located on private lands owned by BHJV. Most surface facilities and infrastructure required for mining operations are already in place.

Geology & Mineralization

Gold mineralization at Butte Highlands is hosted primarily in lower Paleozoic Wolsey Shale with higher-grade mineralization occurring within sediments proximal to diorite sills and dikes. The project is within a favorable geologic domain that has hosted several multi-million-ounce gold deposits. There are currently no mineral reserves as defined by the SEC at Butte Highlands Project.

NEW JERSEY MINE PROJECT

Property Location

The New Jersey Mine is an underground gold mine located two miles east of Kellogg, Idaho, in the Coeur d'Alene Mining District. The mine is adjacent to U.S. Interstate Highway 90 and is easily accessed year-round by local roads. The New Jersey Mill is located on the same property, providing a unique opportunity for small-scale production. Three-phase electrical power is supplied to the New Jersey Mill by Avista Utilities.

Property Ownership

At the New Jersey Mine and Mill complex, the Company owns 102 acres of private land with surface and mineral rights, 108 acres of private land with mineral rights only, 40 acres of private land with surface rights only, and approximately 130 acres of unpatented mining claims. The unpatented claims are on federal land administered by the BLM. The gold-bearing Coleman Vein system, including the underground workings and the Coleman Pit, are located on the patented mining claims that are wholly-owned by the Company and not part of the Mill Joint Venture.

Property History

In the late 1800's and early 1900's, New Jersey Mining and Milling (an unrelated company) drove more than 760 meters of development workings on the Coleman Vein and its northwest branch, including drifts, crosscuts, shafts, and raises. The historic development also included a 10-stamp gravity mill that was operated for a short period.

Present Condition, Work Completed, and Exploration Plans

Since 2001, NJMC has drilled 14 holes totaling 1,765 meters to explore the Coleman Vein and associated zones. Drilling confirmed vein system continuity and resulted in the discovery of the broad, low grade (averaging about 0.70 gpt gold) Grenfel zone. The Company's best intercept assayed 2.76 gpt gold over 12.5 meters, which included 6.80 gpt gold over 2.5 meters.

In 2008, the Company performed underground exploration on the Coleman Vein at the 740 level, including 84 meters of drifting, with 20 meters along the vein before it was displaced by a fault. The Company also drill-tested the Scotch Thistle prospect, but a 400-meter program encountered silicification and associated alterations with no significant gold mineralization. There are at least 14 gold prospects within or near the New Jersey Mine.

In 2010, a raise was driven upward on the 740 level to explore a narrow high-grade vein that crosscut the main Coleman Vein. This raise was driven 12 meters vertically, leading to the extraction of 367 dry tonnes that assayed 2.68 gpt gold in processing at the New Jersey Mill.

NJMC has not conducted material work at the New Jersey Mine since 2010, but Company geologists are again evaluating the known gold-bearing veins and historic targets. With the New Jersey Mill actively processing ores from the Golden Chest Mine, the potential economics of nearby gold prospects may have improved significantly.

While the Company has conducted significant drilling, underground development, and even limited gold production from the New Jersey Mine, the project has no mineral reserves as recognized by the SEC.

As of December 31, 2018, the Company had a capitalized development plus investment cost of \$248,289 associated with the mine.

Geology & Mineralization

The New Jersey Mine area is underlain by argillites and quartzites of the Proterozoic-age Prichard Formation, which commonly hosts gold mineralization regionally. The property occurs adjacent to and north of the major Osburn Fault, an important geological structure of the Coeur d'Alene Mining District. The Prichard Formation is divided into nine units of

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alternating argillites, siltites, and quartzites; the units exposed in the New Jersey Mine area appear to belong to the lower members. Gold mineralization is associated with sulfide-bearing quartz veins that cut the bedding in Prichard argillite and quartzite. Associated sulfides are pyrite, arsenopyrite, chalcopyrite, low-silver tennantite, galena, and sphalerite.

CROWN POINT PROJECT

Property Location

The Crown Point Project is comprised of three patented mining claims covering 46 patented acres and 700 acres of unpatented mining claims, west of Murray, Idaho. The property is a gold exploration project without known reserves. The lower portion of the property near the Four Square mine can be accessed via Forest Highway 9 and the higher elevation part of the property is accessed seasonally via dirt roads.

Property Ownership

The core of the property is held through an option-type of agreement with a private party that covers 46 patented acres surrounded by 293 acres of unpatented mining claims. The agreement required payment of 1.33 million of the Company's common shares and \$100,000 cash in 2018. A second payment of 1.33 million shares and \$100,000 cash is due on September 30, 2019. A final payment of \$200,000 is payable in either shares or cash, due on September 30, 2020. The claims covered by this agreement are subject to a 2% net smelter royalty. The Company also holds an additional 413 acres of unpatented lode claims adjacent to the core group of claims that are wholly owned by the Company and not subject to a royalty.

Property History

The property consists of two mineralized areas, one near the Four Square Mine and the second at the Crown Point claim on the eastern part of the property. The Four Square Mine was mined intermittently in the early 20th century with most of the mining completed in the 1930's. Three levels were developed in the 1930's to exploit three east-west striking quartz gold veins. A mill was located on the property and the historic production of the Four Square mine is estimated at approximately 6,400 ounces of gold. The Crown Point fault structure is a steeply dipping, northerly trending shear zone made up of quartz veins and silica flooded rock. It has been explored historically by underground drifting and crosscuts as well as surface pits.

Present Condition, Work Completed, and Exploration Plans

In 2018, the Company focused its exploration efforts on the Crown Point area with surface sampling, road building, core drilling and environmental permitting work. Four core holes were completed during 2018 at various locations along the strike of the Crown Point Shear Zone and all holes intersected anomalous gold mineralization with the best intercept assaying 0.5 gpt gold over 9.3 meters. The Company plans to conduct additional core drilling in 2019.

Geology & Mineralization

Gold mineralization at the Crown Point Project is hosted in the Prichard Formation. Gold mineralization at the Four Square is hosted in narrow quartz veins that strike easterly and dip to the north. The veins are frequently faulted by a series of northeasterly trending faults. Gold mineralization at the Crown Point area is found in a steeply dipping zone of silicification and quartz veining. Outcropping of the zone can be traced for over 250 meters and the width of zone varies, but in some places is nearly 20 meters wide. Gold is associated with sulfide minerals including pyrite and galena.

BUTTE GULCH PROJECT

Property Location

The Butte Gulch Project is directly adjacent to the east of Golden Chest Mine and is accessed by Forest Highway 9. It is comprised of 60 acres of both patented surface and mineral rights, 117 acres of patented mineral rights, and 602 acres of unpatented claims. All of the patented mineral rights are subject to a 2% NSR to a third party while the unpatented claims are unburdened by a royalty. The property is an exploration property without known reserves.

Property Ownership

The patented surface and mineral rights were purchased from a third party in mid 2018 and any lode production from the patented claims is subject to a 2% NSR. The patented claims where the Company only owns the lode mineral rights can be placer mined by the current owner who was the vendor of the property. NJMC holds a first right of refusal for the purchase of the surface rights not already owned by the Company. The unpatented lode claims are wholly owned by the Company and not subject to a royalty.

Property History

Butte Gulch has been placer mined in several different operations over the last century, however, there are no gold productions records from these historic placer mining efforts. There is evidence of historic lode prospecting in the form of surface pits and exploration adits on the property, but the Company is not aware of any modern exploration occurring on the property.

Present Condition, Work Completed, and Exploration Plans

The property is an exploration stage property adjacent to the Golden Chest Mine. The property vendor has retained the placer mining rights in the bottom of the drainage on the patented claims and completed placer mining activity last year. NJMC has no affiliation or connection with the placer mining operation. NJMC's geologists have performed preliminary sampling and investigations on the property but no serious exploration efforts have taken place yet. NJMC plans to conduct additional sampling, mapping, and trenching in advance of a potential core drilling program.

Geology & Mineralization

Cursorry investigations of the Butte Gulch geology indicate that the area is underlain by Prichard Formation argillite, siltite, and quartzite units. It is located on the western limb of the Trout Creek Anticline. More geologic fieldwork is planned for the upcoming season to explore for gold mineralization.

BUCKSKIN PROJECT

Property Location

The Buckskin Project is comprised of 12 patented mining claims covering 218 acres and 73 unpatented mining claims covering approximately 1,367 acres west of Murray, Idaho. The property is a gold exploration project without known reserves. The property can be accessed via dirt roads from Forest Highway 9.

Property Ownership

The 218 acres of patented mining claims was acquired through an exploration and mining lease. The Buckskin Lease term runs for 7.5 years and includes annual payments of \$12,000 and a 2-percent NSR on future production from the property. If the property is placed into production, the lease will continue as long as production is underway and also includes a right of first refusal for NJMC to purchase the property. The Company also holds 700 acres of unpatented lode claims adjacent to the core group of claims that are wholly owned by the Company and not subject to a royalty. These claims require an annual claim fee payment to the BLM.

Property History

The Buckskin property was mined intermittently for both gold and base metals in the early 20th century with most of the mining completed in the 1930's. The property contains numerous old workings, most of which are inaccessible. A mill was located on the property but the historic production is unknown.

Present Condition, Work Completed, and Exploration Plans

In 2018, the Company conducted exploration efforts in the Buckskin area with surface sampling, road building, underground mapping and sampling. Evaluation of the sampling results is ongoing. The Company plans to conduct core drilling in 2019.

Geology & Mineralization

Gold mineralization at the Buckskin Project is hosted in the Prichard Formation. Prospects and adits appear to have been developed along northerly trending shear zones made up of quartz veins and silica flooded rock. Gold is associated with sulfide minerals including pyrite and galena.

GIANT LEDGE

Property Location

The Giant Ledge Project is located six kilometers east of Murray, Idaho. It is an exploration project without known ore reserves. The project is accessed by Forest Highway 9 and secondary dirt roads.

Property Ownership

The Company's land position consists of 57 unpatented lode claims covering an area of 1,119 acres. This claim total includes 3 separate claim blocks; Giant Ledge, Porphyry and Bear. These claims require an annual claim fee payment to the BLM.

Property History

The Giant Ledge Project consists of several historical prospected areas. The Giant Ledge Mine was active in the 1920's when a 122 meter deep shaft was sunk and about 450 meters of drift development was completed. A flotation mill was erected and a minor amount of undisclosed production was achieved. Bunker Hill Mining Company also examined and mapped the mine workings in the 1950's. Sunshine Mining Company conducted exploration at the Giant Ledge in the mid-1980's and drilled two core holes. In 2008, the Company obtained core from Sunshine's drilling program, and it was re-logged and assayed. The best of the mineralization showed 4.6 meters of 0.908 gpt gold and 0.24% combined copper and lead. An extensive soil sampling program was completed in conjunction with a VLF and magnetometer survey.

Present Condition, Work Completed, and Exploration Plans

The property is an exploration stage property east of the Golden Chest Mine. Although no significant work was performed at Giant Ledge during the 2009-2018 period, the Company is preparing to resume exploration efforts in 2019.

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Geology & Mineralization

Host rocks at the property are Prichard Formation and Cretaceous-age intrusives. The primary mineralizing structure is the French Gulch Fault which transects the property. The property hosts polymetallic lead, copper and gold mineralization in and along the contact of the igneous intrusive.

POTOSI

Property Location

The Potosi Project is located 4.4 kilometers southwest of the Murray, Idaho. It is an exploration project without known ore reserves. The project is accessed by the paved Beaver Creek county road and other secondary dirt roads.

Property Ownership

NJMC acquired fee simple title to of 3 patented lode claims as part of the 2018 Butte Gulch land acquisition. The 3 patented claims cover a 71 acre area.

Property History

Potosi has been placer mined in several different operations over the last century, however, there is no gold production records from these historic placer mining efforts. There is evidence of historic lode prospecting in the form of surface pits and exploration adits on the property, but the Company is not aware of any modern lode exploration occurring on the property.

Present Condition, Work Completed, and Exploration Plans

Minor reclamation work was completed in 2018, and minor trenching efforts are planned for 2019.

Geology & Mineralization

Host rocks at the property are siltites and argillites of the Prichard Formation. Geologic mapping suggest fault structures associated with the Crown Point Shear Zone may cross the property.

McKINLEY PROJECT

Property Location

The McKinley Property encompasses a number of historic prospects in central Idaho and extends, from the town of Riggins northward for nearly five miles. The property is an early-stage, gold exploration project accessed via public and private dirt roads off of US Highway 95.

Property Ownership

In 2013, NJMC acquired the McKinley Property through its acquisition of Idaho Champion Resources (“ICR”). The property is held by 28 unpatented claims and an agreement known as the Rupp Lease. The Rupp Lease consists of a mineral lease for 1,728 acres with an additional 1,518 acres of land with certain rights for access and surface disturbance. The 3,246 total acres held through the Rupp Lease requires an annual rental payment of \$6,100. If an ore reserve of 250,000 ounces of gold is achieved within the Rupp Lease, there is a 1% NSR royalty on future production less recoupment of capital costs. The Company also holds 28 unpatented claims, totaling 560 acres, adjacent the 4 patented claims of the McKinley Mine and the lands of the Rupp Lease. These claims require an annual claim fee payment to the BLM. NJMC has dropped the mineral lease for the 4 patented claims where the historic McKinley Mine workings are located.

Property History

The McKinley Property is located in the Simpson Mining District and was first prospected in 1891. The property was subject to intermittent mining activity until it was shut down during WWII. The property remained largely dormant until Hunt Energy executed a sampling program in the late 1970's and Kennecott Exploration completed a property evaluation in the early-1990s. In 2012, ICR started surface exploration of the property, including a ground magnetic survey, before the acquisition by NJMC in 2013.

ICR previously conducted ground magnetic survey over a large portion of the property, approximately 2.4 by 5.6 kilometers. The survey indicates that potentially major structures passing through the district are associated with some degree of demagnetization. It also appears to indicate the potential mineralization at the McKinley Mine along with several potential target areas, including historic mines and prospects that extend for several miles along the known trend.

Present Condition, Work Completed, and Exploration Plans

Surface mapping and sampling by NJMC identified two areas with significant gold mineralization in outcrop: the Monarch Zone, about one kilometer S-SW of the McKinley Mine, and along Fiddle Creek, which crosses the southern portion of the property. At the Monarch Zone, several samples returned high-grade gold with values up to 26 gpt. At Fiddle Creek, 10 of 20 samples exceeded 3 gpt gold with one sample exceeding 50 gpt gold. Both areas have had historic prospecting but no significant development and much of the ground between these prospects remains unexplored. More geologic fieldwork is planned for the upcoming season to explore for additional gold mineralization between the Monarch and Fiddle Creek zones.

Geology and Mineralization

The McKinley Project is located within the rocks of the Riggins and Seven Devils Groups of the Blue Mountains Island-Arc Complex. The metasediments of the accreted Riggins and Seven Devils Groups are considered to be the source of coarse gold found in the nearby historic placer operations. Mapping and geophysics both suggest major northerly trending fault structures cut these metasediments. Rock alteration consists of carbonization and silicification. Gold mineralization is associated with auriferous pyrite and quartz-carbonate veining.

EASTERN STAR PROJECT

Property Location

The Eastern Star property is located about four miles west of Elk City in central Idaho. It consists of 11 patented lode mining claims acquired by NJMC in 2014 and an additional 45 unpatented lode claims (413 acres) located in 2018. Eastern Star is an early-stage exploration project with no mineral reserves as recognized by the SEC. The property is accessible via improved dirt roads off of Idaho State Highway 14.

Property Ownership

NJMC acquired fee simple title to the 11 patented claims from Premium Exploration Inc. ("Premium") for \$250,818 in 2014. The Company also holds the 45 unpatented lode claims (413 acres) surrounding the core group of patented claims. All of the Eastern Star claims are wholly owned by the Company and not subject to a royalty. The unpatented claims require an annual claim fee payment to the BLM.

Property History

The Elk City Mining District is an historic gold mining region dating back to the 1860s that once supported more than 20 underground mines, including the Eastern Star, along with placer dredging operations. Modern exploration in the district by companies including Cypress-Amax, Kinross Gold, and Bema Gold has focused on near-surface bulk tonnage gold potential, while the many smaller-scale high-grade gold occurrences have largely been ignored.

In recent years, prior operator Premium collected grab samples from three separate locations, representing nearly one-half mile of mineralized trend. Of 25 grab samples, nine returned gold values greater than 16.9 gpt. Premium then drilled three core holes at Eastern Star, targeting a bulk mineable gold deposit.

Present Condition, Work Completed, and Exploration Plans

In 2014, The Company completed mapping, sampling and trenching programs. Company geologists identified several quartz veins that had been exploited by historic prospect pits and small shafts. Surface grab samples from these veins confirmed the widespread presence of high-grade gold within mineralized quartz vein material.

The Company performed an 880-meter trenching program. The channel samples intercepted notable gold mineralization including contiguous samples up to 10.4 meters of 2.25 gpt gold and 6.4 meters of 7.97 gpt gold (which included 4.3 meters of 11.34 gpt gold).

Although no significant work was performed at Eastern Star during the 2015-2018 period, the Company is preparing to resume exploration efforts in 2019. The Company's exploration objective at Eastern Star is to evaluate its potential for high-grade gold-bearing quartz veins, similar to those that led to historic production and patenting of the mineral claims.

Geology & Mineralization

The Eastern Star property is underlain by extensively weathered, high grade metamorphic rocks such as biotite gneiss and schist, intruded by dikes and sills emanating from the Idaho Batholith. Two types of gold mineralization are present at the Eastern Star property. The first is the large, low-grade, bulk tonnage mineralization associated with the northerly trending Orogrande Shear Zone and the second is the easterly trending high-grade gold quartz veins.

ITEM 3. LEGAL PROCEEDINGS

None

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 fiscal year ended December 31, 2018, the Company had two citations for a violation of mandatory health or safety standards that could significantly and substantially (S&S citation) contribute to the cause and affect 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.

PART II**ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS****Market Information**

The Company's Common Stock currently trades on the OTCQB tier of the OTC Market under the symbol "NJMC" and the Canadian Stock Exchange ("CSE").

As of March 1, 2019, there were approximately 1,200 shareholders of record of the Company's Common Stock.

Dividend Policy

The Company has not declared or paid cash dividends or made distributions in the past and the Company does not anticipate that it will pay cash dividends or make distributions in the foreseeable future. The Company currently intends to retain and reinvest future earnings, if any, to finance its operations.

Transfer Agent

The transfer agent for the Company's Common Stock is Nevada Agency Trust 50 West Liberty, Suite 880 Reno, Nevada 89501.

Securities Authorized for Issuance Under Equity Compensation Plans

In April 2014 the Board of Directors of the Company established a stock option plan to authorize the granting of stock options to officers and employees. Upon exercise of the options shares are issued from the available authorized shares of the Company.

No additional fees are paid for attendance at Board of Directors' meetings, committee membership or committee chairmanship

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	7,054,500	\$0.14	0
Equity compensation plans not approved by security holders	0	0	0
Total	7,054,500	\$0.14	0

Recent Sales of Unregistered Securities

Occasionally, we pay for goods and services with restricted common stock. Our policy is to determine the fair value of the goods or services, and then issue the number of corresponding shares using an agreed upon price for our common stock that considers the bid/offer price as quoted by the OTC Market or the CSE Market.

For the year ended December 31, 2017 the Company issued 13,616,668 shares of restricted common stock for cash resulting in net proceeds of \$1,391,000 and an average net proceed price of \$0.102 per share. The transactions were strictly limited to persons in the United States who met certain minimum financial (accredited investors) or sophistication requirements. In management's opinion, the securities were issued pursuant to exemption from registration under Section 4(2) of the Securities Act of 1933, as amended.

For the year ended December 31, 2018 the Company issued 9,608,578 shares of restricted common stock for cash resulting in net proceeds of \$1,206,856 and an average net proceed price of \$0.126 per share. The transactions were strictly limited to persons in the United States and Canada who met certain minimum financial (accredited investors) or sophistication requirements. In management's opinion, the securities were issued pursuant to exemption from registration under Section 4(2) of the Securities Act of 1933, as amended the safe harbor provided by Regulation S.

For the year ended December 31, 2018 the Company issued 108,000 shares pursuant to the exercise of options at \$0.15 per share for \$16,200. During the year ended December 31, 2018 the Company issued 1,333,333 shares of common stock for the purchase of the Crown Point property at \$0.175 per share for a value of \$233,333. The Company did not issue any shares pursuant to the exercise of options or for property in 2017.

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During the year ended December 31, 2018, the Company issued 53,286 shares of its common stock valued at \$9,059 for professional services. Fair value was based on the trading price of the Company's stock on the date of each the transaction. The common shares are subject to a hold period of 4 months and 1 day. The Company did not issue any shares for professional services in 2017.

For the year ended December 31, 2017 the Company issued 1,500,000 shares of restricted common stock in exchange for debt owed to a related party at an average net proceed price of \$0.11 per share for payment of \$160,000 in debt and accrued interest. The Company did not issue any shares for the payment of debt in 2018.

ITEM 6. SELECTED FINANCIAL DATA

Not required for smaller reporting companies.

ITEM 7. 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 for 2018 include:

- For the year ending December 31, 2018 approximately 31,230 dry metric tonnes (dmt) were processed at the Company's New Jersey Mill with an average gold head grade of 3.47 grams per tonne gold (gpt).
- NJMC produced a total of 3,400 ounces of gold contained in concentrates.
- Open-pit mining operations progressed from the 1042 bench to the 1012 bench during the year, advancing through the lower-grade material between the Golden Chest and Skookum shoots in the open pit. Mine production averaged 1,250 tonnes per day (ore and waste). A low-grade stockpile was established and contains 55,200 tonnes at an estimated grade of 1.0 gtp gold.
- The Company purchased two diamond core drill rigs for planned exploration and development drilling in the Murray Gold Belt.
- The Company expanded its land holdings the Murray Gold Belt with the addition of the Buckskin Claim Group, Crown Point property lease, Butte Gulch and Potosi properties as well as adding strategic unpatented mining claims and staking the Giant Ledge Claim group. The Company's Murray Gold Belt patented land position more than doubled now totaling over 1,188 acres of patented and 7,893 acres of unpatented claims.
- Completed the sale of non-core asset, the Toboggan Project, in the Murray Gold Belt for US \$3-million, in addition Hecla also participated in a private placement purchasing \$500,000 of restricted NJMC common stock for \$0.13 per unit.
- Accelerated exploration activities in the Murray Gold Belt, have focused on land acquisition, locating gold mineralization and identifying controlling fault structures.
- Increased overall land position at the Company's Eastern Star and South Fork projects in Central Idaho where there has been a noticeable increase in activity along the central Idaho Gold Belt over the last two years.
- Reduced debt associated with start-up of operations paying off the forward gold sale and reinvesting in exploration and development for future production at the Golden Chest Mine.
- NJMC completed the first stope cut on the 851 level in mid 2018. Commissioning of the cemented rockfill (CRF) backfill plant was completed during the summer of 2018, and backfilling was completed in the third quarter of 2018. A total of 4,260 tonnes were mined during the startup phase of underground mining operations in 2018. The average grade of the underground material was 7.0 gpt gold.
- Closed private placements during 2018 for net proceeds of US \$1,206,856, which included participation from Hecla Mining Company and a small private placement in Canada.
- The Company's common shares were approved for listing on the Canadian Securities Exchange (CSE) in the second quarter of 2018.

- Reduced total liabilities \$1,039,518 as compared to December 31, 2017.
- The Company added equipment to support the ramp-up of underground production and for the support of core drilling operations.

Results of Operations

Our financial performance for the years ended December 31, 2018 and 2017 is summarized below:

- The Company had a net income of \$752,279 compared to a net loss of \$22,194 for the same period in 2017.
- Revenue from gold concentrate sales was \$3,629,837 for the period ending December 31, 2018 compared to \$4,281,571 for the comparable period 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.
- Gross loss in 2018 was \$726,881 compared to a gross profit of \$1,189,027 in 2017 also because 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 included non-cash charges as follows: depreciation and amortization of \$367,939 (\$156,041 in 2017), amortization of discount on debt, none in 2018 (\$44,272 in 2017), accretion of asset retirement obligation of \$3,901 (\$8,456 in 2017), stock based compensation of \$42,020 (\$141,407), in 2017 change in fair value of forward gold contracts of \$15,984 (\$211,461 in 2017), write down of inventory to net realizable value of \$19,874 (none in 2017), and gain on sale of mineral property \$2,947,862 (none in 2017).
- Net income attributable to New Jersey Mining Company was \$830,014 and \$39,154 in the years ended December 31, 2018 and 2017, respectively.
- The sale of the Toboggan and Little Baldy properties to Hecla in 2018 resulted in a \$2,947,862 gain for the Company as reflected in net income. This sale was not a part of normal operations.
- Pre-development expenses decreased in 2018 compared to 2017 as the underground operations were commenced. Additional pre-development expenses incurred in 2018 were for underground access ramp and stope development.
- Exploration expenses increased in 2018 compared to 2017 as funds became available. These exploration costs were primarily associated with core drilling.

Financial Condition and Liquidity

	For the Years Ended December 31,	
	2018	2017
Net cash provided (used) by:		
Operating activities	\$ (1,415,136)	\$ 337,619
Investing activities	2,146,120	(176,792)
Financing activities	(606,835)	(191,043)
Net change in cash and cash equivalents	124,149	(30,216)
Cash and cash equivalents, beginning of period	124,617	154,833
Cash and cash equivalents, end of period	\$ 248,766	\$ 124,617

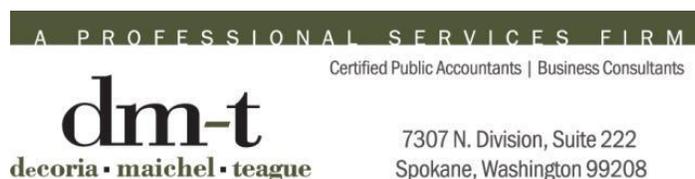
The Company is currently producing from the open-pit and underground at the Golden Chest. In addition, during 2017, production generated cash flow from operations of \$337,619, cash flow generated from operations in 2018 was negative \$1,415,136 as a result of lower grade ores from the open pit and irregular underground production however open pit grade is expected to improve in 2019 along with increased production from underground operations. The Company's working capital position has improved approximately \$533,000 from December 31, 2017 to December 31, 2018. Planned production for the next 18 months indicates the trend to improve. The Company has also been successful in raising required capital to commence production and fund ongoing operations, common stock and warrants sales of \$1,391,000 in 2017 and \$1,206,856 in 2018 as well as selling a mineral property in 2018 for a net gain of \$2,947,862. The Company has utilized the proceeds for equipment purchases, to reduce debt, and ramp up the underground production.

As a result of its planned production, equity sales, and the Company's ability to meet debt obligations, 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 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required for smaller reporting companies.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the board of directors of New Jersey Mining Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of New Jersey Mining Company (the "Company") as of December 31, 2018 and 2017, the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company *as of* December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

DeCoria, Maichel & Teague A.S.

DeCoria, Maichel & Teague, P.S.

We have served as the Company's independent auditor since 2003.
Spokane, Washington
March 25, 2019

New Jersey Mining Company
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New Jersey Mining Company
Consolidated Balance Sheets
December 31, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 248,766	\$ 124,617
Gold sales receivable	74,673	307,796
Inventories	183,069	245,154
Joint venture receivable	2,051	4,682
Note receivable	150,000	-
Other current assets	103,223	102,361
Total current assets	761,782	784,610
Property, plant and equipment, net of accumulated depreciation	6,567,350	5,890,961
Mineral properties, net of accumulated amortization	2,759,339	2,135,956
Investment in joint venture	435,000	435,000
Reclamation bond	103,320	103,320
Deposit on equipment	11,958	30,000
Total assets	\$ <u>10,638,749</u>	\$ <u>9,379,847</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 401,501	\$ 363,810
Accrued payroll and related payroll expenses	58,359	40,710
Notes and interest payable related parties, current portion	47,591	211,829
Notes payable, current portion	217,679	95,988
Forward gold contracts, current portion (Note 14)	-	568,609
Total current liabilities	<u>725,130</u>	<u>1,280,946</u>
Asset retirement obligation	154,292	121,560
Notes and interest payable related parties, long term	189,236	601,082
Notes payable, long term	424,184	176,802
Forward gold contracts, long term (Note 14)	-	351,970
Total long term liabilities	767,712	1,251,414
Total liabilities	1,492,842	2,532,360
Commitments (Notes 6 and 14)	-	-
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; 123,413,569 and 112,310,372 shares issued and outstanding, respectively	17,492,980	15,985,512
Accumulated deficit	(11,420,305)	(12,250,319)
Total New Jersey Mining Company stockholders' equity	<u>6,072,675</u>	<u>3,735,193</u>
Non-controlling interest	3,073,232	3,112,294
Total stockholders' equity	<u>9,145,907</u>	<u>6,847,487</u>
Total liabilities and stockholders' equity	\$ <u>10,638,749</u>	\$ <u>9,379,847</u>

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

New Jersey Mining Company
Consolidated Statements of Operations
For the Years Ended December 31, 2018 and 2017

	December 31,	
	2018	2017
Revenue:		
Gold sales	\$ 3,629,837	\$ 4,281,571
Total revenue	3,629,837	4,281,571
Cost of sales		
Cost of sales and other direct production costs	3,988,779	2,936,503
Depreciation and amortization	367,939	156,041
Total cost of sales	4,356,718	3,092,544
Gross profit (loss)	<u>(726,881)</u>	<u>1,189,027</u>
Other operating expenses (income):		
Pre-development expenses	195,068	234,624
Exploration	467,296	71,851
Gain on sale of mineral property	(2,947,862)	-
Management	155,217	158,248
Professional services	186,304	170,388
General and administrative	392,654	256,403
Total other operating expenses (income)	<u>(1,551,323)</u>	<u>891,514</u>
Income from operations	824,442	297,513
Other (income) expense:		
Timber revenue	-	(4,887)
Timber expense	-	6,434
Interest income	(27,511)	(8,746)
Interest expense	83,690	71,103
Change in fair value of forward gold contracts	15,984	211,461
Amortization of discount on note payable	-	44,272
Total other (income) expense	<u>72,163</u>	<u>319,637</u>
Net income (loss)	<u>752,279</u>	<u>(22,124)</u>
Net income (loss) attributable to non-controlling interests	(77,735)	(61,278)
Net income (loss) attributable to New Jersey Mining Company	<u>\$ 830,014</u>	<u>\$ 39,154</u>
Net loss per common share-basic and diluted	<u>\$ Nil</u>	<u>\$ Nil</u>
Weighted average common shares outstanding-basic	<u>120,024,534</u>	<u>107,081,969</u>
Weighted average common shares outstanding-diluted	<u>122,339,225</u>	<u>107,940,360</u>

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

New Jersey Mining Company
Consolidated Statement of Changes in Stockholders' Equity
For the Years Ended December 31, 2018 and 2017

	Common Stock		Accumulated	Non-Controlling	Stockholders'
	Shares	Amount	Deficit	Interest	Equity
			Attributable to		
			New Jersey		
			Mining		
			Company		
Balance, December 31, 2016	97,193,704	14,293,105	(12,289,473)	3,142,312	5,145,944
Contribution from non-controlling interest in Mill JV	-	-	-	31,260	31,260
Issuance of common stock for cash net of offering costs	13,616,668	1,391,000	-	-	1,391,000
Issuance of common stock in exchange for related party debt	1,500,000	160,000	-	-	160,000
Stock based compensation relating to options	-	141,407	-	-	141,407
Net income (loss)	-	-	39,154	(61,278)	(22,124)
Balance, December 31, 2017	112,310,372	\$ 15,985,512	\$ (12,250,319)	\$ 3,112,294	\$ 6,847,487
Contribution from non-controlling interest in Mill JV	-	-	-	38,673	38,673
Issuance of common stock for cash net of issuance costs	9,608,578	1,206,856	-	-	1,206,856
Issuance of common stock for services	53,286	9,059	-	-	9,059
Issuance of common stock for options exercised	108,000	16,200	-	-	16,200
Issuance of common stock for mineral property	1,333,333	233,333	-	-	233,333
Stock based compensation	-	42,020	-	-	42,020
Net income (loss)	-	-	830,014	(77,735)	752,279
Balance, December 31, 2018	123,413,569	\$ 17,492,980	\$ (11,420,305)	\$ 3,073,232	\$ 9,145,907

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

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New Jersey Mining Company
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2018 and 2017

	December 31,	
	2018	2017
Cash flows from operating activities:		
Net income (loss)	\$ 752,279	\$ (22,124)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	367,939	156,041
Amortization of discount on note payable	-	44,272
Accretion of asset retirement obligation	3,901	8,456
Stock based compensation	42,020	141,407
Change in fair value of forward gold contracts	15,984	211,461
Write down of inventory to net realizable value	19,874	-
Gain on sale of mineral property	(2,947,862)	-
Common stock issued for services	9,059	-
Change in operating assets and liabilities:		
Gold sales receivable	233,123	(253,477)
Inventories	42,211	(60,830)
Joint venture receivable	2,631	(1,794)
Other current assets	(862)	(27,361)
Accounts payable	37,691	120,687
Accrued payroll and related payroll expenses	17,649	2,849
Interest payable related parties	(10,772)	18,032
Net cash provided (used) by operating activities	<u>(1,415,135)</u>	<u>337,619</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(317,485)	(144,464)
Purchase of mineral property	(374,438)	(30,394)
Deposit on equipment	(11,958)	(30,000)
Proceeds from sale of mineral property	3,000,000	-
Issuance of note receivable	(250,000)	-
Payment received on note receivable	100,000	58,386
Proceeds from option payment on property	-	15,000
Purchase of reclamation bond	-	(45,320)
Net cash provided (used) by investing activities	<u>2,146,119</u>	<u>(176,792)</u>
Cash flows from financing activities:		
Sales of common stock and warrants, net of issuance costs	1,206,856	1,391,000
Cash from exercise of stock options	16,200	-
Payments on forward gold contracts in cash	(185,798)	(357,766)
Gold purchased for payments on forward gold contracts	(257,981)	(319,344)
Principal payments on notes payable	(366,689)	(809,777)
Principal payments on notes and interest payables, related parties	(1,058,096)	(126,416)
Contributions from non-controlling interest	38,673	31,260
Net cash provided (used) by financing activities	<u>(606,835)</u>	<u>(191,043)</u>
Net change in cash and cash equivalents	124,149	(30,216)
Cash and cash equivalents, beginning of year	124,617	154,833
Cash and cash equivalents, end of year	<u>\$ 248,766</u>	<u>\$ 124,617</u>
Supplemental disclosure of cash flow information:		
Interest paid in cash	\$ 94,462	\$ 58,941
Non-cash investing and financing activities:		
Deposit on equipment applied to purchase of equipment	\$ 30,000	-
Shares of common stock and warrants issued in exchange for note and interest payable, related party		\$ 160,000
Equipment purchases financed with notes payable	\$ 735,762	\$ 146,952
Shares of common stock issued for mineral property	\$ 233,333	-
Forward gold contract exchanged for note payable, related party	\$ 492,784	-

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

**New Jersey Mining Company
Notes to Financial Statements**

1. Description of Business

New Jersey Mining Company (“the Company”) was incorporated as an Idaho corporation on July 18, 1996. The Company's primary business is exploring for, developing, and extraction of gold, silver, and base metal mineral resources in the Greater Coeur d’Alene Mining District of North Idaho and extending into Western Montana. The Company is currently focused on mining and milling ore from the Golden Chest property. It is also evaluating new mineral investment and development opportunities in the western United States.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its majority-owned subsidiary, the New Jersey Mill Joint Venture (“NJMJV”). Intercompany accounts and transactions are eliminated. The portion of NJMJV partially owned by other investors is presented as non-controlling interests on the consolidated balance sheets and statements of operations.

Accounting for Investments in Joint Ventures

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. In determining whether significant influence exists, the Company considers its participation in policy-making decisions and its representation on the venture’s management committee.

For joint ventures in which the Company does not have joint control or significant influence, the cost method is used. Under the cost method, these investments are carried at the lower of cost or fair value. For those joint ventures in which there is joint control between the parties, the equity method is utilized whereby the Company’s share of the ventures’ earnings and losses is included in the statement of operations as earnings in joint ventures and its investments therein are adjusted by a similar amount. The Company periodically assesses its investments in joint ventures for impairment. If management determines that a decline in fair value is other than temporary it will write-down the investment and charge the impairment against operations.

At December 31, 2018 and December 31, 2017, the Company’s percentage ownership and method of accounting for each joint venture is as follows:

Joint Venture	December 31, 2018			December 31, 2017		
	% Ownership	Significant Influence?	Accounting Method	% Ownership	Significant Influence?	Accounting Method
NJMJV	65%	Yes	Consolidated	65%	Yes	Consolidated
Butte Highlands Joint Venture (“BHJV”)	50%	No	Cost	50%	No	Cost

Non-controlling Interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company’s stockholders’ equity and its net income (loss). Non-controlling interests represent non-controlling investor’s initial contribution at the date of the original acquisition, ongoing contributions, and percentage share of earnings since inception.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes for items such as depreciation lives and methods, potential impairment of long-lived assets, deferred income taxes, fair value of forward gold contracts, fair value of stock based compensation, estimation of asset retirement obligations and reclamation liabilities. Actual results could differ from those estimates.

Revenue Recognition

Gold Revenue Recognition and Receivables-Sales of gold sold directly to customers are recorded as revenues and receivables upon completion of the performance obligations and transfer of control of the product to the customer. For concentrate sales, the performance obligation is met, the transaction price can be reasonably estimated, and revenue is recognized generally at the time of shipment at estimated forward prices for the anticipated month of settlement. Due to the time elapsed from shipment to the customer and the final settlement with the customer, prices at which sales of our concentrates will be settled are estimated. Previously recorded sales and accounts receivable are adjusted to estimated settlement metals prices until final settlement by the customer. For sales of dore’ and metals from doré, the performance obligation is met, the transaction price is known, and revenue is recognized at the time of transfer of control of the agreed-upon metal quantities to the customer by the refiner.

New Jersey Mining Company
Notes to Financial Statements

2. Summary of Significant Accounting Policies, continued

Revenue Recognition, continued

Gold Revenue Recognition and Receivables, continued-Sales and accounts receivable for concentrate shipments are recorded net of charges by the customer for treatment, refining, smelting losses, and other charges negotiated with the customers. Charges are estimated upon shipment of concentrates based on contractual terms, and actual charges typically do not vary materially from estimates. Costs charged by customers include fixed costs per ton of concentrate and price escalators. Refining, selling and shipping costs related to sales of doré and metals from doré are recorded to cost of sales as incurred. See Note 12 for more information on our sales of products.

Other Revenue Recognition-Revenue from harvest of raw timber is recognized when the performance obligation under a contract and transfer of control have both been completed. Sales of timber found on the Company's mineral properties are not a part of normal operations.

Inventories

Inventories include concentrate inventory and supplies inventory. Concentrate inventory is valued at the lower of full cost of production or estimated net realizable value based on current metal prices. Costs consist of mining, transportation, royalties, and milling costs including applicable overhead, depreciation, depletion and amortization relating to the operations. Costs are allocated based on the stage at which the ore is in the production process. Supplies inventory is stated at the lower of cost or estimated net realizable value. At December 31, 2018, inventories consisted of \$137,530 in concentrate inventory and \$45,539 in supplies inventory. At December 31, 2017, inventories consisted of \$219,660 in concentrate inventory and \$25,494 in supplies inventory. At December 31, 2018, the Company recognized an expense of \$19,874 due to writing down concentrate inventory to net realizable value.

Income Taxes

Income taxes are accounted for under the liability method. Under this method deferred income tax liabilities or assets are determined at the end of each period using the tax rate expected to be in effect when the taxes are expected to be paid or recovered. A valuation allowance is recorded to reduce the deferred tax assets if there is uncertainty regarding their realization.

Uncertain tax positions are evaluated in a two-step process, whereby (i) it is determined whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position and (ii) for those tax positions that meet the more-likely-than-not recognition threshold, the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the related tax authority would be recognized.

Fair Value Measurements

When required to measure assets or liabilities at fair value, the Company uses a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used. The Company determines the level within the fair value hierarchy in which the fair value measurements in their entirety fall. The categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Level 1 uses quoted prices in active markets for identical assets or liabilities, Level 2 uses significant other observable inputs, and Level 3 uses significant unobservable inputs. The amount of the total gains or losses for the period are included in earnings that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date.

During 2018 and 2017, the Company determined fair value on a recurring basis as follows:

	December 31, 2018	December 31, 2017	Fair Value Hierarchy
Liabilities:			
Forward gold contracts (Note 14)	-	\$ (920,579)	2

Financial Instruments

The carrying amounts of financial instruments including cash and cash equivalents, reclamation bond, note receivable, notes payable to related parties, and notes payable approximate their fair values.

Concentration

In 2017 and 2018, the Company has sold its gold flotation concentrate product to a concentrate broker, H&H Metals Corp, a related party (see Note 12). In 2018 and 2017 floatation concentrates accounted 91% and 98%, respectively, of all gold sales. The remaining 9% and 2% in 2018 and 2017, respectively, were dore and gold impregnated in carbon sold to DH Fell and SIPI Metals Corp.

**New Jersey Mining Company
Notes to Financial Statements**

2. Summary of Significant Accounting Policies, continued

Net Income (Loss) Per Share

Net income (loss) per share is computed by dividing the net amount excluding net income (loss) attributable to a non-controlling interest by the weighted average number of common shares outstanding during the year. Diluted net income (loss) per share reflects the potential dilution that could occur from common shares issuable through stock options, warrants, and other convertible securities. For the year ended December 31, 2018, stock options of 6,792,000 and warrants of 1,200,000 are included in the calculation of diluted income per share. Excluded from the diluted earnings per share calculation were 262,500 options and 12,900,123 warrants. For the year ended December 31, 2017, stock options of 2,750,000 and warrants of 1,200,000 are included in the calculation of diluted income per share. Excluded from the diluted earnings per share calculation were 4,912,500 options and 8,095,834 warrants. These options and warrants are excluded when the exercise prices were greater than the average trading prices of the Company's common stock for the respective period.

Reclassifications

Certain prior period amounts have been reclassified to conform to the 2018 financial statement presentation. Reclassifications had no effect on net income (loss), stockholders' equity, or cash flows as previously reported.

Cash and Cash Equivalents

The Company considers cash in banks and other deposits with an original maturity of three months or less when purchased to be cash and cash equivalents.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation and amortization are based on the estimated useful lives of the assets and are computed using straight-line or units-of-production methods. The expected useful lives of most of the Company's buildings are up to 50 years and equipment life expectancy ranges between 2 and 10 years. When assets are retired or sold, the costs and related allowances for depreciation and amortization are eliminated from the accounts and any resulting gain or loss is reflected in operations.

Mineral Properties

Significant payments related to the acquisition of mineral properties, mineral rights, and mineral leases are capitalized.

If a commercially mineable ore body is discovered, such costs are amortized when production begins using the units-of-production method based on estimated reserves. If no commercially mineable ore body is discovered, or such rights are otherwise determined to have no value, such costs are expensed in the period in which it is determined the property has no future economic value.

Mine Exploration and Development Costs

The Company expenses exploration costs as such in the period they occur. Mine development costs are capitalized as deferred development costs after proven and probable reserves have been identified. Amortization of deferred development costs is calculated using the units-of-production method over the expected life of the operation based on the estimated recoverable mineral ounces.

Pre-Development Activities

Pre-development activities involve cost incurred that may ultimately benefit production, such as underground ramp development, pumping, and open-pit development, which are expensed due to the lack of evidence of economic development, which is necessary to demonstrate future recoverability of these expenses. These costs are charged to operations as incurred.

Claim Fees

Unpatented claim fees paid at time of staking are expensed when incurred. Recurring renewal fees which are paid annually are recorded as other current assets and expensed over the course of the year.

Impairment of Long-Lived Assets

The Company evaluates the carrying amounts of its long-lived assets for impairment whenever events and circumstances indicate the carrying value may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. Estimated undiscounted future net cash flows from each mineral property are calculated using estimated future production, three-year average metals prices, operating capital and costs, and reclamations costs. An impairment loss is recognized when the estimated discounted future cash flows expected to result from the use of an asset are less than the carrying amount of the asset. The Company's estimates of future cash flows are subject to risks and uncertainties. It is reasonably possible that changes in estimates could occur which may affect the expected recoverability of the Company's investments in mineral properties.

**New Jersey Mining Company
Notes to Financial Statements**

2. Summary of Significant Accounting Policies, continued

Asset Retirement Obligations and Remediation Costs

Mineral properties are subject to standards for mine reclamation that have been established by various governmental agencies. Asset retirement obligations are related to the retirement of the mine when a contractual obligation has been established and a reasonable estimate of fair value can be determined. These obligations are initially measured at fair value with the resulting cost capitalized at the present value of estimated reclamation costs. An asset and a related liability are recorded for the fair value of these costs. The liability is accreted and the asset amortized over the life of the related asset. Adjustments are made for changes resulting from either the timing or amount of the original estimate underlying the obligation. If there is an impairment to an asset's carrying value and a decision is made to permanently close the property, changes to the liability are recognized and charged to the provision for closed operations and environmental matters. Separate from asset retirement obligations, the Company records liability for remediation costs when a reasonable estimate of fair value can be determined. Accrued remediation costs are not discounted.

Reclamation Bond

Various laws and permits require that financial assurances be in place for certain environmental and reclamation obligations and other potential liabilities. At December 31, 2018 and 2017, the Company had a \$103,320 reclamation bond for the Golden Chest Mine.

Stock Based Compensation

All transactions in which goods or services are received for the issuance of shares of the Company's common stock or options to purchase shares of common stock are accounted for based on the fair value of the goods or services received or the fair value of the equity interest issued, whichever is more reliably measurable. The value of common stock awards is determined based upon the closing price of the Company's stock on the date of the award. The Company estimates the fair value of stock-based compensation using the Black-Scholes model, which requires the input of some subjective assumptions. These assumptions include estimating the length of time employees will retain their vested stock options before exercising them ("expected life"), the estimated volatility of the Company's common stock price over the expected term ("volatility"), the risk-free interest rate and the dividend yield. Changes in the subjective assumptions can materially affect the estimate of the fair value of stock-based compensation.

Derivatives

The Company measures derivative contracts as assets or liabilities based on their fair value. Gains or losses resulting from changes in the fair value of derivatives in each period are recorded in current earnings (losses). None of the Company's derivative contracts qualify for hedge accounting. The Company does not hold or issue derivative financial instruments for speculative trading purposes.

Recent Accounting Pronouncements

Accounting Standards Updates Adopted

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09 Revenue Recognition, replacing guidance previously codified in Subtopic 605-10 Revenue Recognition-Overall. The new ASU establishes a five step principles-based framework in an effort to significantly enhance comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets. In August 2015, the FASB issued ASU No. 2015-14 Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date. ASU No. 2015-14 deferred the effective date of ASU No. 2014-09 until annual and interim reporting periods beginning after December 15, 2017. The Company adopted ASU No. 2014-09 as of January 1, 2018 using the modified-retrospective transition approach.

The Company performed an assessment of the impact of implementation of ASU No. 2014-09, and concluded it does not change the timing of revenue recognition or amounts of revenue recognized compared to how it recognized revenue under previous policies. Revenues involve a very small number of types of contracts and customers. In addition, revenue contracts do not involve multiple types of performance obligations. Concentrate revenues are generally recognized at the time of shipment. Revenues from doré and metals from doré are recognized, and the transaction price is known, at the time the metals sold are delivered to the customer.

Concentrate sales involve variable consideration as they are subject to changes in metals prices between the time of shipment and their final settlement. However, the Company is able to reasonably estimate the transaction price for the concentrate sales at the time of shipment using forward prices for the month of settlement, and values are adjusted each period until final settlement. Also, it is unlikely a significant reversal of revenue for any one concentrate lot will occur.

Adoption of ASU No. 2014-09 involves additional disclosures, where applicable, concerning (i) contracts with customers, (ii) significant judgments and changes in judgments in determining the timing of satisfaction of performance obligations and the transaction price, and (iii) assets recognized for costs to obtain or fulfill contracts. See Note 13 for information on our sales of products.

**New Jersey Mining Company
Notes to Financial Statements**

2. Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements, continued

Accounting Standards Updates Adopted, continued

In August 2016, the FASB issued ASU No. 2016-15 Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. The update provides guidance on classification of cash receipts and payments related to eight specific issues. The update is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, with early adoption permitted. We adopted this update as of January 1, 2018, and there were no material impacts on our consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18 Statement of Cash Flows (Topic 230): Restricted Cash. The update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The update is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, with early adoption permitted. We adopted this update as of January 1, 2018, and there were no material impacts on our consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01 Business Combinations (Topic 805): Clarifying the Definition of a Business. The update clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. We adopted this update as of January 1, 2018. We will apply the applicable provisions of the update to any future acquisitions.

Accounting Standards Updates to Become Effective in Future Periods

In February 2016, the FASB issued ASU No. 2016-02 Leases (Topic 842). The update modifies the classification criteria and requires lessees to recognize the assets and liabilities on the balance sheet for most leases. The update is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. Upon implementation of the new guidance, we will be required to recognize a liability and right-of-use asset for our operating leases. We have elected the transition option to apply the new guidance at the effective date without adjusting comparative periods presented. We have no capital leases at December 31, 2018. Our operating leases, which will be impacted upon adoption, are not significant and we anticipate no material impact upon adoption on January 1, 2019.

3. Going Concern

The Company is currently producing from the open-pit and underground at the Golden Chest. In addition, during 2017, production generated cash flow from operations of \$337,619, cash flow generated from operations in 2018 was negative \$1,415,136 as a result of lower grade ores from the open pit and irregular underground production however open pit grade is expected to improve in 2019 along with increased production from underground operations. The Company's working capital position has improved approximately \$533,000 from December 31, 2017 to December 31, 2018. Planned production for the next 18 months indicates the trend to improve. The Company has also been successful in raising required capital to commence production and fund ongoing operations, common stock and warrants sales of \$1,391,000 in 2017 and \$1,206,856 in 2018 as well as selling a mineral property in 2018 for \$3,000,000. The Company has utilized the proceeds for equipment purchases, to reduce debt, and ramp up the underground production.

As a result of its planned production, equity sales, and the Company's ability to meet debt obligations, management believes cash flows from operations and existing cash are sufficient to conduct planned operations and meet contractual obligations for the next 12 months.

4. Note Receivable

On June 6, 2018, the Company loaned \$250,000 to West Materials, Inc. and William J. West (collectively "West") which bears interest at 8% if the loan goes into default and has a term of fifteen months. Five equal payments are due quarterly with the first two payments received in cash during 2018. For each payment, the Company has the option of receiving payment in cash or 48.45 troy ounces of gold. The Company plans to opt for cash payment unless the price of gold increases to a level where it would be more beneficial. The note receivable is collateralized by a mortgage on the Butte Gulch real property and a related net smelter royalty rights. Also, in 2018, the Company purchased the Butte Potosi mineral property from West (see Note 6).

New Jersey Mining Company
Notes to Financial Statements

5. Property, Plant and Equipment

Property, plant and equipment at December 31, 2018 and 2017, consisted of the following:

	2018	2017
Mill		
Land	\$ 225,289	\$ 225,289
Building	536,193	536,193
Equipment	4,192,940	4,192,940
	4,954,422	4,954,422
Less accumulated depreciation	(557,502)	(428,760)
Total mill	4,396,920	4,525,662
Buildings and equipment		
Buildings	124,677	80,000
Equipment	1,631,908	593,338
	1,756,585	673,338
Less accumulated depreciation	(453,625)	(222,648)
Total building and equipment	1,302,960	450,690
Land		
Bear Creek	266,934	266,934
Little Baldy	-	47,139
BOW	230,449	230,449
Eastern Star	250,817	250,817
Gillig	79,137	79,137
Highwater	40,133	40,133
Total land	867,470	914,609
Total	\$ 6,567,350	\$ 5,890,961

During the year ended December 31, 2012, a lease agreement was entered into with Hecla Mining Company (“Hecla”) on the Company’s Little Baldy land holding. Under the agreement, Hecla paid \$15,000 in 2017 for advanced royalty/lease payments to the Company. The Company recorded this payment as a reduction in the carrying value of the land for the year ended December 31, 2017.

In the second quarter of 2018 the Company sold property including the Little Baldy and Toboggan mineral properties to Hecla Mining Company for \$3,000,000. This sale resulted in a net gain of \$2,947,862 which was recognized in the second quarter of 2018.

New Jersey Mining Company
Notes to Financial Statements

6. Mineral Properties

Mineral properties are as follows:

	December 31, 2018	December 31, 2017
New Jersey	\$ 248,289	\$ 248,289
McKinley	250,000	250,000
Golden Chest	1,677,972	1,649,142
Crown Point	333,333	-
Butte Potosi	274,440	-
Toboggan	-	5,000
Less accumulated amortization	(24,695)	(16,475)
Total	<u>\$ 2,759,339</u>	<u>\$ 2,135,956</u>

New Jersey

The Coleman property is located at the New Jersey Mine area of interest and consists of 62 acres of patented mining claims, mineral rights to 108 acres of fee land, 80 acres of land for which the Company owns the surface but not the mineral rights, and approximately 130 acres of unpatented mining claims. The Coleman property was acquired in October 2002.

McKinley

The McKinley project is located near the town of Lucille, Idaho and encompasses three historic hard rock mines on private land in central Idaho. The Company started exploring the property in 2013. A prior lessee is due a 1% to 2% NSR sliding scale royalty on future production based on the price of gold capped at a total of \$500,000.

Golden Chest

The Golden Chest is an exploration and underground mine project located near Murray, Idaho consisting of 25 patented and 70 unpatented mining claims. A 2% Net Smelter Royalty is payable on production at the Golden Chest to a former joint venture partner. Royalty expense of \$77,758 and \$80,865 was recognized as costs of sales and other direct production costs in the years ended December 31, 2018 and 2017, respectively.

Crown Point

On March 2, 2018, the Company entered into an agreement with J-J Farms LLC and Achievement Holdings LLC (“Crown Point”) to lease a group of patented and unpatented mining claims. The initial payment was 1,333,333 shares of the Company’s restricted common stock valued at \$0.175/share for a fair value of \$233,333. An additional payment was made in September of 2018 for \$100,000 in cash. Per the agreement, future payments for the mineral property are as follows:

- 1,333,333 shares of the Company’s common stock on September 30, 2019.
- Cash payments of \$100,000 and \$200,000 on September 30, 2019 and 2020, respectively.

The Company initially accounted for the agreement as a purchase of the mining claims with a related payment obligation. Upon subsequent review, management determined that the agreement was a mineral lease with an option to purchase which resulted in different accounting for the transaction. The impact of this change in accounting on the Company’s consolidated balance sheets was decreases in both Mineral Properties and Liabilities of approximately \$590,000, \$590,000 and \$500,000 at March 31, 2018, June 30, 2018, and September 30, 2018, respectively. The revision had minimal impact on results from operations as reported in those periods.

Butte Potosi

In the second quarter of 2018, the Company purchased the Butte Potosi property near its Golden Chest mine for \$250,440 and a 2% net smelter return on all ores mined and shipped from the property. The Company incurred an additional \$24,000 to improve access to the property. This property consists of patented mining claims some of which include both the surface and mineral rights and some of which include only the mineral rights.

Toboggan

Toboggan is a gold and silver exploration project consisting of 106 claims covering 2,100 acres of federal land administered by the U.S. Forest Service. In 2001, the Company issued 50,000 shares of stock to an individual to acquire the rights. The shares were valued at \$0.10 per share for a total acquisition cost of \$5,000. This cost was for a portion of the claims in the Toboggan property that were purchased; the remaining claims were staked by the Company.

The Little Baldy prospect which was a part of the Toboggan project was under lease to Hecla Mining Company (“Hecla”). The lease had a 20-year term and called for annual payments to the Company of \$10,000 through the fifth year, then escalating to \$15,000 for three years, \$20,000 for one year, and \$48,000 thereafter. In the second quarter of 2018 which was the seventh year of the lease the Company sold property including the Little Baldy and Toboggan to Hecla Mining Company for \$3,000,000. This sale resulted in a net gain of \$2,947,862 which was recognized in the second quarter of 2018.

**New Jersey Mining Company
Notes to Financial Statements**

7. Notes Payable

At December 31, 2018 and 2017 notes payable are as follows:

	2018	2017
Property with shop, 36 month note payable, 4.91% interest rate payable monthly, remaining principal of note due in one payment at end of term in June 2019, monthly payments of \$459	\$ 31,319	\$ 35,416
Property, 120 month note payable, 11.0% interest rate payable monthly, remaining principal of note due in one payment at end of term in March 2021, monthly payments of \$1,124, paid in full in May 2018	-	91,155
Tailings pump, 35 month note payable, 17.5% interest rate payable monthly through May of 2018, monthly payments of \$3,268	-	14,641
Haul truck, 20 month note payable, 10.0% interest rate payable monthly through May of 2019, monthly payments of \$6,020	31,657	97,126
Compressor, 48 month note payable, 5.25% interest rate payable monthly through November 2021, monthly payments of \$813	27,616	34,452
Jumbo drill and 1 yrd. LHD, 12 month note payable, 8% interest rate payable monthly through January 2019, monthly payments of \$10,874	10,802	-
Atlas Copco loader, 60 month note payable, 10.5% interest rate payable monthly through June 2023, monthly payments of \$3,550	152,125	-
Caterpillar excavator and skid steer, 48 month note payable, 6.8% interest rate payable monthly through June 2022, monthly payments of \$2,392	89,199	-
2018 pick-up truck, 72 month note payable, 9% interest rate payable monthly through June 2024, monthly payments of \$701	36,230	-
2008 pick-up truck, 60 month note payable, 9% interest rate payable monthly through June 2023, monthly payments of \$562	24,798	-
Haul truck, 13 month note payable, 8.0% interest rate payable monthly through July 2019, monthly payments of \$5,000	34,085	-
Caterpillar 938 loader, 60 month note payable, 6.8% interest rate payable monthly through August 2023, monthly payments of \$3,751	179,552	-
MultiQuip DCA70 Generator, 48 month note payable, 7.25% interest rate payable through August 2022, monthly payments of \$635	24,480	-
Total notes payable	641,863	272,790
Due within one year	217,679	95,988
Due after one year	\$ 424,184	\$ 176,802

All notes are collateralized by the property or equipment purchased in connection with each note. Future principal payments of debt at December 31, 2018 are as follows:

	Note	
2019	\$ 217,679	
2020	118,776	
2021	128,506	
2022	112,302	
2023	60,738	
Thereafter	3,862	
Total	\$ 641,863	

New Jersey Mining Company
Notes to Financial Statements

8. Asset Retirement Obligation

The Company has established asset retirement obligations associated with the ultimate closing of its mineral properties where there has been or currently is operations. Obligations were established for the New Jersey mill in 2014 and the Golden Chest mine in 2016. Activity for the years ended December 31, 2018 and 2017 is as follows:

	2018	2017
Balance at January 1	\$ 121,560	\$ 72,218
Accretion expense	3,901	8,456
Revision of estimated reclamation costs	28,831	40,886
Balance at December 31	\$ 154,292	\$ 121,560

During the years ended December 31, 2018 and 2017, the obligations for the Golden Chest and New Jersey mill properties were revised in consideration of additional disturbance activity and timing of future reclamation. The estimated reclamation costs were discounted using credit adjusted, risk-free interest rate of 5.0% from the time the obligation was incurred to the time management expects to pay the retirement obligation.

9. Joint Venture Arrangements**New Jersey Mill Venture Agreement (“NJMJV”)**

In January 2011, the Company and United Mine Services, Inc. (“UMS”) entered into a joint venture agreement relating to the New Jersey mineral processing plant. To earn a 35 percent interest in the venture, UMS provided \$3.2 million funding to expand the processing plant to 15 tonnes/hr. The Company is the operator of the venture and charges operating costs to UMS for milling its ore up to 7,000 tonnes/month, retain a milling capacity of 3,000 tonnes/month, and as the operator of the venture receive a fee of \$2.50/tonne milled. UMS subsequently dissolved and its interest in the mill was transferred to Crescent Silver, LLC (Crescent). As of December 31, 2018 and 2017, an account receivable existed with the Mill Joint Venture from Crescent for \$2,051 and \$4,682, respectively. To date, no ore has been processed under this joint venture arrangement.

Butte Highlands Joint Venture

On January 29, 2016, the Company purchased a 50% interest in Butte Highlands JV, LLC (“BHJV”) for a total consideration of \$435,000. Highland Mining, LLC (“Highland”) is the other 50% owner and manager of the joint venture. Under the agreement, Highland will fund all future project exploration and mine development costs. The Agreement stipulates that Highland is manager of BHJV and will manage BHJV until such time as all mine development costs, less \$2 million are distributed to Highland out of the proceeds from future mine production. The Company has determined that because it does not currently have significant influence over the joint venture’s activities, it will account for its investment on a cost basis. The Company purchased the interest in the BHJV to provide additional opportunities for exploration and development and expand the Company’s mineral property portfolio.

New Jersey Mining Company
Notes to Financial Statements

10. Income Taxes

The Company did not recognize a provision (benefit) for income taxes for the years ended December 31, 2018 and 2017 due availability of net operating losses in both 2018 and 2017. In addition, net deferred tax assets are offset by a full valuation allowance.

At December 31, 2018 and 2017, the Company had net deferred tax assets principally arising from the net operating loss carryforward for income tax purposes multiplied by an expected blended federal and state tax rate of 27%. As management of the Company cannot determine that it is more likely than not that the Company will realize the benefit of the deferred tax assets, a valuation allowance equal to 100% of the net deferred tax asset has been established at December 31, 2018 and 2017.

On December 22, 2017, the United States enacted the Tax Cuts and Jobs Act (the "Act") resulting in significant modifications to existing law. The Company completed the accounting for the effects of the Act during the quarter ended December 31, 2017. The Company did not incur any income tax benefit or provision for the year ended December 31, 2017 as a result of the changes to tax laws and tax rates under the Act. The Company's net deferred tax asset was reduced by approximately \$1.6 million during the year ended December 31, 2017, which consisted primarily of the remeasurement of federal deferred tax assets and liabilities from 35% to 21%.

The significant components of net deferred tax assets at December 31, 2018 and 2017 were as follows:

	December 31, 2018	December 31, 2017
Deferred tax assets		
Net operating loss carry forward	\$ 3,388,000	\$ 2,909,200
Mineral properties	455,200	620,500
Asset retirement obligation	4,400	6,500
Stock based compensation	167,900	156,600
Derivative contracts	-	136,500
Discount on note payable	-	42,000
Other	7,150	-
Total deferred tax assets	4,022,650	3,871,300
Valuation allowance	(2,990,350)	(3,198,800)
	1,032,300	672,500
Deferred tax liabilities		
Acquisition of mineral interest	(60,500)	(60,500)
Property, plant, and equipment	(971,800)	(612,000)
Total deferred tax liabilities	(1,032,300)	(672,500)
Net deferred tax assets	\$ 0	\$ 0

At December 31, 2018 the Company had net operating loss carry forwards of approximately \$12,600,000 for both federal and state purposes, \$11,100,000 of which expire between 2020 through 2037. The remaining balance of \$1,500,000 will never expire but its utilization is limited to 80% of taxable income in any future year.

The income tax provision (benefit) for the years ended December 31, 2018 and 2017 differ from the statutory rate of 21% in 2018 and 35% in 2017 as follows:

	December 31, 2018	December 31, 2017
Provision (benefit) at statutory rate for the period	\$ 158,000	\$ (7,700)
State taxes, net of federal taxes	44,000	(1,100)
Adjustment of prior year tax benefit to actual	6,450	(36,400)
Change in federal tax rate	-	(1,558,400)
Increase (decrease) in valuation allowance	(208,450)	1,513,200
Total provision (benefit)	\$ 0	\$ 0

We are open to examination of our income tax filings in the United States and state jurisdictions for the 2016 through 2018 tax years. In the event that the Company is assessed penalties and or interest, penalties will be charged to other operating expense and interest will be charged to interest expense.

New Jersey Mining Company
Notes to Financial Statements

11. Equity

The Company has authorized 200,000,000 shares of no par common stock at December 31, 2018 and 2017. In addition, the Company has authorized 1,000,000 shares of no par preferred stock, none of which had been issued at December 31, 2018 or 2017.

The Company began a private placement in the fourth quarter 2016 which ran through the first quarter of 2017. Each unit consisted of two shares of the Company's common stock and one stock purchase warrant with each warrant exercisable for one share of the Company's stock at \$0.20 through February 2020. As of December 31, 2016, 537,500 units were sold consisting of 1,075,000 shares and 537,500 warrants for net proceeds of \$92,500 after deducting the 10% commission and other related placement fees. In March 2017, the Company completed the private placement. In 2017, an additional 3,200,000 shares and 1,600,000 warrants were sold for net proceeds in 2017 of \$291,000 after deducting the 10% commission. At closing of the private placement in March 2017, the total units for the private placement were 2,137,500 units, consisting of 4,275,000 shares and 2,137,500 warrants. Net proceeds of the private placement in total were \$383,500.

The Company offered an additional private placement in March 2017. The private placement was for 4,250,000 units, each unit consisting of two shares of the Company's stock and one stock purchase warrant with each warrant exercisable for one share of the Company's stock at \$0.20 through April 2020. No commission was paid with this private placement. Proceeds were \$750,000 in cash and \$100,000 exchanged for a note and interest payable to the Company's president, John Swallow. The Company's concentrate broker, H&H Metals Corp., who purchases the Company's gold flotation concentrate product, participated in this private placement purchasing 1,250,000 units for \$250,000.

The Company offered an additional private placement in November 2017. The private placement was for 1,708,334 units, each unit consisting of two shares of the Company's stock and one stock purchase warrant with each warrant exercisable for one share of the Company's stock at \$0.20 for 36 months. No commission was paid with this private placement. Proceeds were \$350,000 in cash and \$60,000 exchanged for a note and interest payable to the Company's president, John Swallow. H&H Metals Corp participated in this private placement purchasing 1,041,667 units for \$250,000.

In October 2017, the Company utilized proceeds of the private placement to pay the remaining debt due on the Golden Chest property of \$250,000.

On March 2, 2018, the Company entered into an agreement with J-J Farms LLC and Achievement Holdings LLC ("Crown Point") to lease a group of patented and unpatented mining claims. The initial payment was 1,333,333 shares of the Company's restricted common stock valued at \$0.175/share. Fair value was based on the trading price of the Company's stock on the date of the transaction.

In the first and second quarters of 2018, the Company offered private placements. Under the private placements, the Company sold 8,858,578 units for net proceeds of \$1,107,571. Each unit consisted of one share of the Company's stock and one half of one stock purchase warrant with each whole warrant exercisable for one share of the Company's stock at \$0.22 for 24 months.

In 2018, the Company issued 108,000 shares of common stock pursuant to the exercise of stock purchase options at \$0.15 per share for \$16,200 cash.

In the fourth quarter of 2018, the Company offered a private placement. Under the private placement, the Company sold 750,000 units for net proceeds of \$99,285. Each unit consisted of one share of the Company's stock and one half of one stock purchase warrant with each whole warrant exercisable for one share of the Company's stock at CDN\$0.25 (USD \$0.18) for 48 months. These warrants were initially sold with an exercise price that was not in the Company's functional currency of the U.S. dollar. The Company did not account for the warrants as derivatives at December 31, 2018 as it was not considered material to the consolidated financial statements. In 2019, the Company plans to amend the exercise price of the warrants to be stated in U.S. dollars to avoid accounting for the warrants as a derivative.

During the year ended December 31, 2018, the Company issued 53,286 shares of its common stock valued at \$9,059 for professional services. Fair value was based on the trading price of the Company's stock on the date of the transaction.

New Jersey Mining Company
Notes to Financial Statements

11. Equity, continued

Stock Purchase Warrants Outstanding

Transactions in common stock purchase warrants for the year ended December 31, 2018 and 2017 are as follows:

	Number of Warrants	Exercise Prices
Balance December 31, 2016	10,737,500	\$0.10-0.20
Issued in connection with private placements	7,558,334	0.20
Expired	(9,000,000)	0.15-0.20
Balance December 31, 2017	9,295,834	\$0.10-0.20
Issued in connection with private placements	4,804,289	0.18-0.22
Balance December 31, 2018	<u>14,100,123</u>	\$0.10-0.22

These warrants expire as follows:

Shares	Exercise Price	Expiration Date
1,200,000	\$0.10	August 11, 2019
2,137,500	\$0.20	February 28, 2020
4,250,000	\$0.20	March 28, 2020
1,708,334	\$0.20	November 3, 2020
2,506,212	\$0.22	March 30, 2020
1,923,077	\$0.22	April 20, 2020
375,000	\$0.18	December 14, 2023
<u>14,100,123</u>		

Stock Options

In April 2014, the Board of Directors of the Company established a stock option plan to authorize the granting of stock options to officers and employees. Upon exercise of the options shares are issued from the available authorized shares of the Company.

In 2016, 2,750,000 options were granted to management, directors, consultants, and employees of the Company. Of these options 1,225,000 vested in the fourth quarter of 2016 and the remaining 1,525,000 vested in 2017. The options expire three years after their grant date. Each option allows the holder to purchase one share of the Company's stock at \$0.15 prior to expiration. Compensation cost of \$268,032 is associated with the options. Of this, \$151,143 was recognized in 2016, and \$116,889 was recognized in 2017.

In 2017, the Company granted a total of 662,500 options to consultants and employees of the Company. These options vested in 2018. The options had a fair value of \$66,539 which is being recognized ratably over the vesting period. Compensation cost of \$24,519 was recognized in 2017. The remaining compensation cost of \$42,020 was recognized in 2018. No additional options were granted in 2018 and there is no unrecognized compensation at December 31, 2018.

Total compensation cost for granted options of \$42,020 and \$141,407 was recognized in the years ended December 31, 2018 and 2017, respectively.

The weighted average fair value of stock option awards granted and the key assumptions used in the Black-Scholes valuation model to calculate the fair value of the options are as follows:

	For the Year Ended December 31, 2017
Weighted average fair value	\$0.10
Options issued	662,500
Exercise price	\$0.15 to \$0.18
Expected term (in years)	3.0
Risk-free rate	1.48% to 1.98%
Volatility	135.7 to 142.3%

New Jersey Mining Company
Notes to Financial Statements

11. Equity, continued

	Number of Options	Exercise Prices
Balance January 1, 2017	7,500,000	0.10-0.15
Issued	662,500	0.15-0.18
Expired	(500,000)	0.10
Balance December 31, 2017	7,662,500	0.10-0.18
Exercised	(108,000)	0.15
Expired	(500,000)	0.10
Balance December 31, 2018	7,054,500	0.10-0.18
Exercisable at December 31, 2018	7,054,500	\$ 0.10-0.18

At December 31, 2018, the stock options have an intrinsic value of approximately \$180,420 and have a weighted average remaining term of 1.37 years.

12. Related Party Transactions

At December 31, 2018 and 2017, the Company had the following notes and interest payable to related parties:

	December 31, 2018	December 31, 2017
Mine Systems Design (“MSD”), a company in which our Company’s Vice President owns 10.4%, 12% interest, monthly payments of \$4,910 through March 2019	\$ 14,696	\$ 68,299
John Swallow, Company president, 5% interest, monthly payments of \$5,834 with balloon payment of \$387,904 in February 2019	-	441,163
John Swallow, Company president, 5% interest, principal and interest due February 2019	-	192,677
Ophir Holdings LLC, a company owned by three of the Company’s Officers, 6% interest, monthly payments of \$3,777 with a balloon payment of \$183,559 in February 2020	222,131	-
Margaret Bathgate, shareholder, 5% interest, principal and interest due January 2018	-	100,000
	<u>236,827</u>	<u>802,139</u>
Accrued interest payable		10,772
Total	<u>236,827</u>	<u>812,911</u>
Current portion	<u>47,591</u>	<u>211,829</u>
Long term portion	<u>\$ 189,236</u>	<u>\$ 601,082</u>

Related party interest expense for the years ending December 31, 2018 and 2017 was \$40,624 and \$53,864, respectively. At December 31, 2018, \$47,591 of related party debt is payable in 2019 and the remaining \$189,236 is payable in 2020. On January 1, 2018, Ophir Holdings, LLC converted its gold forward contract (see Note 14) to a conventional debt structure at 6% interest.

During the years ended December 31, 2018 and 2017, the Company paid \$40,500 and \$10,500, respectively, to the Company’s chairman of the board, Del Steiner for consulting purposes.

As of December 31, 2018 and 2017, gold sales receivable from H&H Metals, who owns 4% of the Company’s outstanding common stock, were \$74,673 and \$307,796, respectively. Concentrate sales to H&H Metals were \$3,305,731 and \$4,200,211, during the years ended December 31, 2018 and 2017, respectively.

13. Sales of Products

Our products consist of both gold floatation concentrates which we sell to a broker (H&H Metal), and an unrefined gold-silver product known as doré which we sell to a precious metal refinery. Revenue is recognized upon the completion of the performance obligations and transfer of control of the product to the customer, and the transaction price can be determined or reasonably estimated.

New Jersey Mining Company
Notes to Financial Statements

13. Sales of Products, continued

For gold flotation concentrate sales, the performance obligation is met when the transaction price can be reasonably estimated and revenue is recognized generally at the time when risk is transferred to H&H Metal based on contractual terms. Based on contractual terms, we have determined the performance obligation is met and title is transferred to H&H Metal when the Company receives its first provisional payment on the concentrate because, at that time, 1) legal title is transferred to the customer, 2) the customer has accepted the concentrate lot and obtained the ability to realize all of the benefits from the product, 3) the concentrate content specifications are known, have been communicated to H&H Metal, and H&H Metal has the significant risks and rewards of ownership to it, 4) it is very unlikely a concentrate will be rejected by H&H Metal upon physical receipt, and 5) we have the right to payment for the concentrate. Concentrates lots that have been sold are held at our mill from 30 to 60 days, until H&H Metal provides shipping instructions.

Judgment is required in identifying the performance obligations for our concentrate sales. We have determined that the individual performance obligation is satisfied at a point in time when control of the concentrate is transferred to H&H Metal which is when H&H Metal pays us the first provisional payment on the concentrate based on contractual terms.

Our concentrate sales sometimes involve variable consideration, as they can be subject to changes in metals prices between the time of shipment and their final settlement. However, we are able to reasonably estimate the transaction price for the concentrate sales at the time of shipment using forward prices for the estimated month of settlement, and previously recorded sales and accounts receivable are adjusted to estimated settlement metals prices until final settlement for financial reporting purposes. Also, it is unlikely a significant reversal of revenue for any one concentrate lot will occur. As such, we use the expected value method to price the concentrate until the final settlement date occurs, at which time the final transaction price is known. At December 31, 2018, metals contained in concentrates and exposed to future price changes totaled 288 ounces of gold.

Sales and accounts receivable for concentrate shipments are recorded net of charges for treatment and other charges negotiated by us with H&H Metal, which represent components of the transaction price. Charges are estimated by us upon transfer of risk of the concentrates based on contractual terms, and actual charges typically do not vary materially from our estimates. Costs charged by the customer include fixed treatment, refining and costs per ton of concentrate and may include penalty charges for lead and zinc content above a negotiated baseline as well as excessive moisture.

For sales of doré and of metals from doré the performance obligation is met, the transaction price is known, and revenue is recognized at the time of transfer of control of the agreed-upon metal quantities to the customer.

Sales of products by metal for the years ended December 31, 2018 and 2017 were as follows:

	December 31, 2018	December 31, 2017
Gold	\$ 3,971,567	\$ 4,518,152
Silver	11,584	16,315
Less: Smelter and refining charges	(353,314)	(252,896)
Total	<u>\$ 3,629,837</u>	<u>\$ 4,281,571</u>

Sales by significant product type for the years ended December 31, 2018 and 2017 were as follows:

	December 31, 2018	December 31, 2017
Concentrate sales to H&H Metal	\$ 3,305,731	\$ 4,200,211
Dore' sales to refineries	324,106	81,360
Total	<u>\$ 3,629,837</u>	<u>\$ 4,281,571</u>

At December 31, 2018 and 2017, our gold sales receivable balance related to contracts with customers of \$74,673 and \$307,796, respectively, consist only of amounts due from H&H Metal. There is no allowance for doubtful accounts.

We have determined our contracts do not include a significant financing component. For doré sales, payment is received at the time the performance obligation is satisfied. Consideration for concentrate sales is variable, and we receive payment for a significant portion of the estimated value of concentrate parcels at the time the performance obligation is satisfied.

We do not incur significant costs to obtain contracts, nor costs to fulfill contracts which are not addressed by other standards. Therefore, we have not recognized an asset for such costs as of December 31, 2018 or 2017.

New Jersey Mining Company
Notes to Financial Statements

14. Forward Gold Contracts

On July 13, 2016, the Company entered into a forward gold contract with Ophir Holdings LLC, (“Ophir”) a company owned by three of the Company’s officers, for net proceeds of \$467,500 to fund startup costs at the Golden Chest. The contract called for the Company to deliver a total of 500 ounces of gold to the purchasers with quarterly payments equivalent to \$25,000 in ounces starting February 1, 2017. The equivalent of 80.5 ounces were delivered to Ophir in 2017. On January 1, 2018, Ophir agreed to convert their Forward Gold Contract which at that time had an outstanding balance of 419.5 ounces with a fair value of \$492,784 to a conventional debt structure at 6% interest (see Note 12).

On July 29, 2016, the Company entered into a forward gold contract through GVC Capital LLC for net proceeds of \$772,806 to fund startup costs at the Golden Chest. The agreement calls for the Company to deliver a total of 904 ounces of gold to the purchasers in quarterly payments starting December 1, 2016 for a period of two years as gold is produced from the Golden Chest Mine and New Jersey Mill. The December 1, 2016 payment, 4 payments in 2017, and three payments in 2018 were paid with an ounce equivalent of 904 ounces. The final payment was made in September 2018.

The gold to be delivered does not need to be produced from the Golden Chest property. In addition, the counterparties can request cash payment instead of gold ounces for each quarterly payment. The cash payments are based on average gold prices for the applicable quarter. The contracts are accounted for as derivatives requiring their value to be adjusted to fair value each period end. The change in balance for the forward gold contracts for the year ended December 31, 2018 and 2017 is as follows:

	2018	2017
Beginning balance	\$ 920,579	\$ 1,386,228
Conversion to note payable	(492,784)	-
Payments in cash	(185,798)	(357,766)
Payments in gold purchased by the Company	(257,981)	(319,344)
Change in fair value	15,984	211,461
Ending balance	\$ -	920,579
Current	-	568,609
Long term	-	\$ 351,970

The fair value was calculated using the market approach with Level 2 inputs for forward gold contract rates and a discount rate of 10%.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

At the end of the period covered by this Annual Report on Form 10-K, 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) and Rule 15d-15(e) of the Securities Exchange Act of 1934 (the “Exchange Act”). Based upon that evaluation, it was concluded that our disclosure controls were effective as of the end of the period covered by this report, to ensure that: (i) information required to be disclosed by the 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, and (ii) material information required to be disclosed in reports filed under the Exchange Act is accumulated and communicated to our management, including our President and Chief Accounting Officer, as appropriate, to allow for accurate and timely decision regarding required disclosure.

Internal Control over Financial Reporting

Management’s Annual Report on 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, 2018. To make this assessment, we used the criteria for effective internal control over financial reporting described in *Internal Control-Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment, we believe that, as of December 31, 2018, the Company’s internal control over financial reporting is effective.

Changes in internal control over financial reporting

There was no material change in internal control over financial reporting in the quarter ended December 31, 2018.

ITEM 9B. OTHER INFORMATION

None.

PART III**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE**

Name & Address	Age	Position	Term
Delbert W. Steiner 201 N. Third Street Coeur d'Alene, ID 83814	73	Chairman of the Board	8/29/2013 to 12/1/2014 and 5/2/2015 to 1/10/17 CEO and 8/29/2013 to present Chairman
John Swallow 201 N. Third Street Coeur d'Alene, ID 83814	52	Chief Executive Officer/ President & Director	8/29/2013 to 12/1/2014 and 5/2/2015 to present President 1/20/17 to present CEO and 8/29/2013 to present Director
Grant A. Brackebusch P.O. Box 131 Silverton, ID 83867	49	Vice President & Director	7/18/1996 to present
Kevin Shiell 201 N. Third Street Coeur d'Alene, ID 83814	60	Director	1/10/17 to present
Robert Morgan 1335 Cooper St. Missoula MT 59802	52	Vice President	1/16/2018 to present
Monique Hayes 4159 E. Mullan Trail Rd Coeur d'Alene, ID 83814	53	Secretary	11/20/16 to present

Directors are elected by shareholders at each annual shareholders meeting to hold office until the next annual meeting of shareholders or until their respective successors are elected and qualified.

Executive Officers and Key Employees

John Swallow was named Chief Executive Officer and President on January 10, 2017. Prior to being named as CEO, Mr. Swallow was appointed as the President and a Director of the Company on August 29, 2013. He resigned as president in December 2014, and subsequently reappointed as President on May 5, 2015 following the resignation of Mr. Highsmith. He holds a B.S. in Finance from Arizona State University. Mr. Swallow was the Vice President of Timberline Drilling, Inc. from November 2011 until accepting the role of President with the Company. From September 2009, until November 2011, Mr. Swallow was self-employed. From January 2006 until September 2009 he served as chairman of Timberline Resources Corporation. He brings wide-ranging experience from within the local mineral exploration industry as well as extensive knowledge of the junior equity markets. Mr. Swallow's extensive experience in the drilling industry, his previous roles as a chairman of a board and as a vice president of a corporation qualify him to sit on the Board of the Company.

Delbert Steiner resigned as Chief Executive Officer on January 10, 2017 but remained as Chairman of the Board of Directors of the Company as previously appointed on August 29, 2013. In December 2014, he resigned as Chief Executive Officer, and was subsequently reappointed as Chief Executive Officer on May 5, 2015 following the resignation of Mr. Highsmith. He holds a B.S. from Lewis Clark State College and a Juris Doctor from the University of Idaho. He has held the position of CEO and Chairman for the Vancouver based Premium Exploration, Inc. since 2005 and was responsible for day-to-day business and financial decision making. He practiced law for more than 25 years and has an extensive background in environmental and mining law, including permitting projects from the exploration to mining phases. Mr. Steiner's extensive background in the mining industry and in operating a publicly traded company qualifies him to sit on the Board of the Company.

Grant A. Brackebusch, P.E. has served as the Vice President and a Director of the Company since 1996. He holds a B.S. in Mining Engineering from the University of Idaho. He is registered in Idaho as a Professional Engineer. He has worked for New Jersey Mining Company since 1996 and worked for Newmont Mining previously. Currently, he supervises the mining operation at the Golden Chest Mine including the operation of the New Jersey Mill. He has experience with permitting, exploration, open pit and underground mining as well as mineral processing. Mr. Brackebusch's extensive mining background, knowledge of the Company's day to day operations, and industry expertise qualifies him to sit on the Board of the Company.

Kevin Shiell has more than 35 years of operating and management experience in the mining and mineral processing industries, primarily in Montana, Idaho and Nevada. He has held executive leadership positions at several public companies, including General Manager and Vice President of Mine Operations at Stillwater Mining Company, Chief Operating Officer at MDM Gold, and various mine supervisory positions at Hecla Mining Company. Mr. Shiell is currently the General Manager of the Hollister and Midas Gold Mines which are owned and operated by Hecla Mines. He brings vast operational knowledge and management experience at a transformational time in the Company's development.

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Robert Morgan has served as the Vice President Exploration of the Company since January 2018. Mr. Morgan has over 21 years of exploration experience, including 19 years focused on gold exploration, of which 11 years were in Northern Idaho and Montana. Mr. Morgan has worked for some of the world's leading gold exploration and mining companies including Newmont and ASARCO throughout the western United States, Alaska and South America. He is practiced in designing, implementing and managing large exploration programs for gold, silver, base metals and rare earth elements. His technical work has included geologic mapping, logging of drill holes, compilation and interpretation of multiple data sets for target identification. Mr. Morgan earned his Bachelor of Science degree in geology from California State University at Chico. He has an extensive environmental background with emphasis on wetlands and water management. Mr. Morgan is a registered professional geologist with the State of Idaho and Professional Land Surveyor registered with the State of Montana.

Monique Hayes was appointed Corporate Secretary in November 2016. She has over 10 years of investor relations corporate governance experience in the mining industry and over 10 years of communications and brand management experience. Prior to joining New Jersey Mining Company, Ms. Hayes worked for Hecla Mining Company, Revett Mining Company and Sterling Mining. Her advertising and communications experience includes working for Publicis Dialog Direct and WhiteRunkle Associates where she worked with national accounts including AT&T Wireless, Bell Atlantic and NordicTrack. Ms. Hayes attended City University where she studied business management, brand strategy and communications.

Legal Proceedings

No Director or Officer has been involved in any legal action involving the Company for the past five years.

Section 16(a) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Securities Exchange Act of 1934, as amended, and the regulations thereunder, the Company's Directors, Executive Officers and beneficial owners of more than 10% of any registered class of the Company's equity securities are required to file reports of their ownership of the Company's securities and any changes in that ownership with the SEC.

Based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons, we believe that during fiscal year ended December 31, 2018, all filing requirements applicable to its officers, directors and greater than 10% percent beneficial owners were complied with.

Code of Ethics

The Company adopted a Code of Ethics at a Board of Directors meeting on December 9, 2003, that applies to the Company's executive officers. The Company also adopted a Code of Ethics for all employees at the Board of Directors meeting on February 18, 2008.

Board Nomination Procedures

There have been no material changes to the procedures by which security holders may recommend nominees to the registrant's board of directors.

ITEM 11. EXECUTIVE COMPENSATION

Compensation of Officers

A summary of cash and other compensation for John Swallow, the Company's President and Chief Executive Officer, Delbert Steiner, the Company's former Chief Executive Officer and current Chairman of the Board Grant Brackebusch, the Company's Vice President (the "Named Executive Officers"), for the two most recent years is as follows:

Executive Officer Summary Compensation Table

Name & Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards ¹ (\$)	Nonequity	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation ⁽⁴⁾ (\$)	Total (\$)
						Incentive Plan Compensation (\$)			
Delbert Steiner ⁽²⁾ Executive Chairman	2018	-	1,500	-	-	-	-	39,000	40,500
	2017	14,750	-	-	10,626	-	-	-	25,376
John Swallow President & Chief Executive Officer	2018	45,000	5,000	-	-	-	-	-	50,000
	2017	-	-	-	10,626	-	-	-	10,626
Grant Brackebusch Vice President	2018	120,000	5,000	-	-	-	-	-	125,000
	2017	120,000	-	-	10,626	-	-	-	130,626
Robert Morgan ⁽³⁾ Vice President	2018	60,480	5,000	-	-	-	-	24,992	90,472
	2017	-	-	-	5,133	-	-	27,681	32,814

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- (1) Stock Awards and Options Awards include fees earned as Directors. The Company has valued all Stock Awards granted at fair value as computed in accordance with FASB Accounting Standards Codification Topic 718. The compensation of the Named Executive Officers has been set by disinterested members of the Board of Directors to a level competitive with other mining companies of similar size with similar types of operations. The executive stock compensation is for services as directors.
- (2) Mr. Steiner resigned as Chief Executive Officer on January 10, 2017, but remained as Chairman of the Board.
- (3) Mr. Morgan was appointed as Vice President of Exploration on January 16, 2018.
- (4) Mr. Steiner in 2018 and Mr. Morgan in 2017 and 2018 were paid consulting fees for work completed for the Company.

The Company does not have a retirement plan for its executive officers and there is no agreement, plan or arrangement that provides for payments to executive officers in connection with resignation, retirement, termination or a change in control of the Company.

Outstanding Equity Awards at Fiscal Year-end

As of December 31, 2018, 4,750,000 Options were vested and outstanding to directors Grant Brackebusch, Del Steiner, John Swallow, and Kevin Shiell.

Director Compensation

		<u>Director Summary Compensation Table</u>							
Name & Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards ¹ (\$)	Nonequity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total (\$)
						(\$)	(\$)	(\$)	
Kevin Shiell	2018	-	-	-	-	-	-	-	-
Director	2017	-	-	-	10,626	-	-	-	10,626

In 2017, Option Awards were issued to the Directors for service as directors of the Company, no Option Awards were issued in 2018. No additional fees are paid for attendance at Board of Directors' meetings, committee membership or committee chairmanship. On occasion, Directors are retained for consulting services unrelated to their duties as Directors. These consulting services are either paid in cash or with unregistered Common Stock according to the Company's policy for share-based payment of services.

The Company does not have a retirement plan for its Directors and there is no agreement, plan or arrangement that provides for payments to Directors in connection with resignation, retirement, termination or a change in control of the Company.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information as of March 1, 2019 regarding the shares of Company Common Stock beneficially owned by: (i) each person known by the Company to own beneficially more than 5% of the Company’s Common Stock; (ii) each Director of the Company; (iii) the CEO and CFO of the Company (the “Named Executive Officers”); and (iv) all Directors and the Named Executive Officers of the Company as a group. Except as noted below, each holder has sole voting and investment power with respect to the shares of the Company Common Stock listed as owned by that person.

Security Ownership of Certain Beneficial Owners

Title of Class	Name and Address Of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class ⁽¹⁾
Common	John Swallow 201 N. Third Street Coeur d’Alene, ID 83814	19,127,003 (a)	13.23%
Common	Steven Mark Bathgate and Margaret Bathgate 5350 S. Roslyn Suite #400 Greenwood Village, CO 8011	7,940,354	5.49%

Security Ownership of Management

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class ¹
Common	John Swallow 201 N. Third Street Coeur d’Alene, ID 83814	19,127,003 (a)	13.23%
Common	Delbert W. Steiner 201 N. Third Street Coeur d’Alene, ID 83814	2,650,000 (b)	1.83%
Common	Grant A. Brackebusch 89 Appleberg Road Kellogg, Idaho 83837	2,706,093 (c)	1.87%
Common	Kevin Shiell 201 N. Third St. Cœur d’Alene, ID 83814	1,150,000 (d)	0.80%
Common	Rob Morgan 1335 Cooper St. Missoula MT 59802	300,000 (e)	0.21%
Common	Monique Hayes 4159 E. Mullan Trail Coeur d’Alene, Idaho 83814	294,800 (f)	0.20%
Common	All Directors and Executive Officers as a group (6 individuals)	26,227,896	18.14%

(1) Based upon 123,413,569 outstanding shares of common stock 14,100,123 warrants, and 7,054,500 vested options at March 1, 2019.

- a) Consists of 16,477,003 shares of common stock, presently exercisable options to purchase 1,500,000 shares and presently exercisable warrants to purchase 1,150,000 shares.
- b) Consists of 1,150,000 shares of common stock, presently exercisable options to purchase 1,500,000 shares.
- c) Consists of 1,156,093 shares of common stock, presently exercisable options to purchase 1,500,000 shares and presently exercisable warrants to purchase 50,000 shares.
- d) Consists of 600,000 shares of common stock, presently exercisable options to purchase 250,000 shares and presently exercisable warrants to purchase 300,000 shares .
- e) Consists of 150,000 shares of common stock, presently exercisable options to purchase 150,000 shares.
- f) Consists of 144,000 shares of common stock, presently exercisable options to purchase 150,000 shares.

None of the Directors or Officers has the right to acquire any additional securities pursuant to options, warrants, conversion privileges or other rights. No shares are pledged as security.

Securities Authorized for Issuance under Equity Plans

In April 2014, the Company established a stock option plan to authorize the granting of stock options to officers and employee. The Company occasionally pays for goods or services with unregistered Common Stock and uses the average bid price of the stock, as quoted on the OTCQB, at the time to determine the number of shares to be issued.

Changes in Control

None.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Certain Relationships and Related Transactions

On December 30, 2016, 1,150,000 options were granted to management, 575,000 options vested immediately and the remaining 575,000 vested 2017. The options expire 3 years after their grant date. Each option allows the holder to purchase one share of the Company's stock at \$0.15 prior to expiration. Compensation cost of \$112,086 is associated with the options. Of this, \$63,205 was recorded as general and administrative expense in 2016. The remaining unrecognized compensation cost of \$48,881 was recognized in 2017.

These options that were awarded in 2017 and 2016 were for compensation as directors and corporate secretary of the Company and were recorded as management fees of \$63,205 and \$48,881 respectively.

Director Independence

The Board of Directors has determined that Delbert Steiner, John Swallow and Grant Brackebusch are not independent directors. Kevin Scheill is an independent director.

The Board of Directors does not have separately designated nominating or compensation committees. The entire Board performs these functions. The Company's audit committee is comprised of two non-executive members, Delbert Steiner and Kevin Shiell, and one executive member, John Swallow.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

The aggregate fees billed for professional services rendered by the Company's principal accountant for the audit of the annual financial statements included in the Company's annual report on Form 10-K for the fiscal years ended December 31, 2018 and December 31, 2017 and the review for the financial statements included in the Company's quarterly reports on Form 10-Q during those fiscal years, were \$45,334 and \$45,454 respectively.

Audit Related Fees

The Company incurred no fees during the last two fiscal years for assurance and related services by the Company's principal accountant that were reasonably related to the performance of the audit or review of the Company's financial statements, and not reported under "Audit Fees" above.

Tax Fees

\$4,500 in 2018 and \$5,600 in 2017 was paid to the Company's principal accountant for tax compliance, tax advice, and tax planning services.

All Other Fees

The Company incurred \$2,450 and \$11,660 in 2018 and 2017, respectively, for fees related to the Company's Canadian stock exchange listing and reporting. No other fees were incurred during the last two fiscal years for products and services rendered by the Company's principal accountant.

Audit Committee Pre-Approval Policies

The Board of Directors has adopted an audit committee pre-approval policy. The audit committee is required to pre-approve the audit and non-audit services performed by the independent auditor in order to assure that the provision of such services do not impair the auditor's independence.

PART IV

ITEM 15. 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, reported on the Company's Form 8-K filed with the Securities and Exchange Commission on May 24, 2018 and filed herewith.
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

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

New Jersey Mining Company

Date: April 1, 2019

By /s/ JOHN SWALLOW
John Swallow, President, Chief Executive Officer

Date: April 1, 2019

By /s/ GRANT A. BRACKEBUSCH
Grant A. Brackebusch, Vice President, Chief Financial Officer

Exhibit 10.10

ASSET PURCHASE AGREEMENT

between

New Jersey Mining Company

and

Hecla Silver Valley, Inc.

dated as of

May 18, 2018

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this “**Purchase Agreement**”), dated as of May 18, 2018, is entered into by and between New Jersey Mining Company, an Idaho corporation (“**Seller**”) and Hecla Silver Valley, Inc., a Delaware corporation (“**Buyer**”). Seller and Buyer are each referred to herein as a “**Party**” and collectively as the “**Parties**.”

RECITALS:

WHEREAS, in connection with the transactions contemplated by this Purchase Agreement and the other Transaction Documents (as defined below), on April 20, 2018, Buyer and Seller entered into a Subscription Agreement (the “**Subscription Agreement**”), pursuant to which, and immediately upon the execution and delivery thereof, Buyer purchased certain equity securities of Seller for an aggregate purchase price of \$500,000;

WHEREAS, Seller wishes to sell and assign to Buyer, and Buyer wishes to purchase from Seller, Seller’s Mineral Properties and Mineral Rights, Real Property, Books and Records, Water Rights (if any), and certain related assets described herein subject to the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

DEFINITIONS, INTERPRETATION, AND CONSTRUCTION

Section 1.01 Definitions. The following terms have the meanings specified or referred to in this **Article I**:

“**Action**” means any claim, action, cause of action, demand, lawsuit, arbitration, mediation, inquiry, enforcement, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**AOI**” has the meaning set forth in **Section 5.08**.

“**Books and Records**” has the meaning set forth in **Section 2.01(d)**.

“**Business Day**” means any day except Saturday, Sunday or any other day on which commercial banks located in New York, New York are authorized or required by Law to be closed for business.

“**Buyer**” has the meaning set forth in the preamble.

“**CERCLA**” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601 et seq.

“**Closing**” has the meaning set forth in **Section 2.04**.

“**Closing Date**” has the meaning set forth in **Section 2.04**.

“**Code**” means the United States Internal Revenue Code of 1986, as amended.

“**Contracts**” means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, obligations, understandings, commitments, and other legally binding arrangements, whether express or implied, written or oral.

“**Deed**” or “**Deeds**” has the meaning set forth in **Section 2.07(a)(ii)**.

“**Disclosure Schedules**” means the Disclosure Schedules and Exhibits delivered by Seller concurrently with the execution and delivery of this Purchase Agreement.

“**Encumbrance**” means any charge, claim, community or other marital property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

“**Environmental Claim**” means any Action, Governmental Order, lien, fine, penalty, directive, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, clean-up, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

“**Environmental Law**” means any currently or hereinafter effective applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the clean-up thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning or relating to the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, handling, discharge, transportation, processing, production, import, export, Release, disposal, distribution, labelling, testing, discharge, control, clean-up, or remediation of any Hazardous Materials. The term “Environmental Law” includes the following (including any state analogues): CERCLA; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, 15 U.S.C. § 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; the Federal Insecticide & Rodenticide Act, 7 U.S.C. §§ 136 et seq.; and the Mine Safety and Health Act.

“**Environmental Notice**” means any written directive, notice of violation or infraction, complaint or CERCLA Section 104(e) information request respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit.

“**Environmental Permit**” means any Permit, letter, clearance, consent, product registration, waiver, closure, exemption or decision required to be obtained under or issued, granted, given, authorized by or made pursuant to Environmental Law or required by a Governmental Authority under Environmental Law.

“**Governmental Authority**” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

“**Governmental Order**” means any order, writ, judgment, consent agreement, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“**Hazardous Materials**” means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or manmade, that is regulated as hazardous, acutely hazardous, toxic, harmful or words of similar import or regulatory effect under Environmental Laws; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation, and polychlorinated biphenyls.

“**Indemnitee**” has the meaning set forth in Section 6.04(a).

“**Indemnitor**” has the meaning set forth in **Section 6.04(a)**.

“**Knowledge of Buyer or Buyer’s Knowledge**” or any other similar knowledge qualification, means the actual knowledge of any director or officer of Buyer, after due inquiry.

“**Knowledge of Seller or Seller’s Knowledge**” or any other similar knowledge qualification, means the actual knowledge of any director or officer of Seller, after due inquiry.

“**Law**” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, or rule of law of any Governmental Authority.

“**Letter Agreement**” has the meaning set forth in **Section 7.06**.

“**Liabilities**” has the meaning set forth in **Section 3.04**.

“**Losses**” means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys’ fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

“**Mineral Properties**” means those patented and unpatented mining claims and real estate interests and the land, including timber rights on the patented mining claims, associated therewith, and as more particularly described in **Exhibit A**.

“**Mineral Rights**” means those mineral and metal concessions, claims, leases, licenses, permits, access rights, development rights and other rights and interests held, under the control of, or used by Seller and necessary to explore for, develop, classify, mine, process or produce minerals, ore or metals for development purposes on the Mineral Properties.

“**Notice of Claim**” has the meaning set forth in **Section 6.04(b)**.

“**NSR Royalty Agreement**” is defined in **Section 2.07(a)(iv)**.

“**Party**” or “**Parties**” has the meaning set forth in the preamble.

“**Permits**” means all permits, licenses, franchises, approvals, authorizations, conditions, registrations, certificates, variances and similar rights obtained, or required to be obtained or required to be complied with, from Governmental Authorities.

“**Permitted Encumbrances**” has the meaning set forth in **Section 3.06**.

“**Person**” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association, or other entity.

“**Pre-Closing Tax Period**” means any taxable period ending on or before the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period ending on and including the Closing Date.

“**Proceeding**” means any litigation, proceeding, claim, cause of action, action, lawsuit, audit, petition, complaint, charge, prosecution, demand, hearing, inquiry, investigation, validation, review (including any program integrity review), inspection, or other administrative or legal proceeding, mediation, or arbitration (including any appeal or application for review) of any kind or nature, in Law or in equity, before any Governmental Authority, arbitrator or mediator.

“**Property Agreements**” means the leases, licenses, options, purchase and sale agreements or other instruments to which any of the Mineral Properties or Mineral Rights, including water rights, are held, under the control of, or acquired by Seller, if any.

“**Purchase Agreement**” has the meaning set forth in the preamble. **Purchase Price**” has the meaning set forth in **Section 2.03**.

“**Purchase Price Allocation**” has the meaning set forth in **Section 2.05**.

“**Purchased Assets**” has the meaning set forth in **Section 2.01(e)**. “**Real Property**” has the meaning set forth in **Section 3.06(b)**.

“**Release**” means any actual or imminently threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing, or allowing to escape or migrate into or through the environment (including ambient air (indoor or outdoor), surface water, groundwater, land surface, or subsurface strata or within any building, structure, facility, or fixture), including the abandonment or discarding of barrels, drums, containers, tanks, or other receptacles containing or previously-containing any Hazardous Materials, as well as vapor intrusion into buildings.

“**Representative**” means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

“**Restricted Period**” has the meaning set forth in **Section 5.08**.

“**Seller**” has the meaning set forth in the preamble.

“**Straddle Period**” has the meaning set forth in **Section 5.05**.

“**Subscription Agreement**” has the meaning set forth in the recitals.

“**Tax Clearance Certificate**” has the meaning set forth in **Section 5.06**.

“**Taxes**” means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, employee benefits, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

“**Tax Return**” means any return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Third-party Claims**” has the meaning set forth in **Section 6.04(d)**.

“**Transaction Documents**” means this Purchase Agreement, the Deeds, the NSR Royalty Agreement, the Assignment Agreement and Bill of Sale, the Subscription Agreement and any other agreements, instruments, and documents required to be executed in connection with the Closing.

“**Water Rights**” means any and all rights to divert the public waters of the state of Idaho and put them to a beneficial use, in accordance with one’s priority date, which water rights are appurtenant to and used in connection with the Mineral Properties and Mineral Rights.

Section 1.02 Interpretation. For purposes of this Purchase Agreement, (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive and is used in the inclusive sense of “and/or”; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Purchase Agreement as a whole.

Section 1.03 Construction. Unless the context otherwise requires, references herein: (a) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Purchase Agreement; (b) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (c) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. All words in this Purchase Agreement will be construed to be of such gender or number as the circumstances require. This Purchase Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Purchase Agreement to the same extent as if they were set forth verbatim herein.

ARTICLE II

PURCHASE AND SALE

Section 2.01 Purchase and Sale of Assets. Subject to the terms and conditions set forth herein, at the Closing, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller, free and clear of any Encumbrances, all of Seller’s right, title and interest in, to and under, whether real, personal or mixed, tangible or intangible, wherever located and whether now existing or hereafter acquired, the following:

- (a) the Property Agreements;
- (b) the Mineral Properties and Mineral Rights and any other Real Property used or held for use in connection with the Purchased Assets;

(c) Seller's Water Rights, if any;

(d) all originals, or where not available, copies, and digital data of all books and records, including machinery and equipment maintenance files, historical production results, exploration results, historic exploration results, geology, geophysics, geochemistry, exploration, assay, drilling, resource, engineering, and design reports, reserve, resource, and mineralization information and analyses, metallurgical analysis, books, maps, drill hole core and reverse circulation samples and logs, computer imaging, surveys, supplier lists, exploration and development data, quality control records and procedures, research and development files, records and data (including all correspondence with any Governmental Authority), historical material and records, strategic plans, and research and intellectual property files relating to the Purchased Assets set forth in subparts (a), (b), (c) and (e) of this **Section 2.01 ("Books and Records")**; and

(e) all rights to any Actions of any nature available to or being pursued by Seller to the extent related to any of the foregoing, whether arising by way of counterclaim or otherwise (collectively, (a) – (e) are referred to as the "**Purchased Assets**").

Section 2.02 No Assumption of Liabilities. Buyer will not assume any Liabilities of Seller. Seller will be solely liable for, and will pay, discharge and perform when due, all Liabilities of Seller and all Liabilities arising from or relating to the ownership of the Purchased Assets or the operation of the Seller's business prior to the Closing Date, whether or not such Liabilities are reflected on Seller's books and records.

Section 2.03 Purchase Price. The aggregate purchase price for the Purchased Assets (the "**Purchase Price**") is equal to the sum of:

(a) the \$200,000 down payment paid by Buyer to Seller in cash by wire transfer on April 13, 2018;
plus

(b) \$2,800,000 (the "**Closing Payment**") to be paid by Buyer to Seller in cash by wire transfer at Closing of immediately available funds to an account designated in writing by Seller to Buyer at least two Business Days prior to the Closing.

Section 2.04 Closing. Subject to the terms and conditions of this Purchase Agreement, the purchase of the Purchased Assets and the consummation of the transactions contemplated hereby to occur simultaneously therewith shall take place at a closing (the "**Closing**") to be held on the date hereof at 10:00 a.m., Pacific Time, at the offices of New Jersey Mining Company in Coeur d'Alene, Idaho or virtually through electronic or facsimile transmission, or at such other time or on such other date or at such other place as Seller and Buyer may mutually agree upon in writing (the day on which the Closing takes place being the "**Closing Date**").

Section 2.05 Allocation of Purchase Price. Buyer will prepare and deliver to Seller, within sixty (90) days after the Closing Date, an allocation of the Purchase Price among the Purchased Assets (the "**Purchase Price Allocation**"). Seller will have ten (10) business days after receipt of the Purchase Price Allocation to review and comment on the Purchase Price Allocation, and Buyer will take any reasonable comments into consideration prior to filing any document with respect to the Purchase Price Allocation. Neither of Buyer nor Seller will take or cause to be taken any position or other action inconsistent with the Purchase Price Allocation determined hereunder for any Tax reporting purpose, upon examination of any Tax Return, in any refund claim, or in any proceeding or otherwise, unless otherwise required by a "determination" (within the meaning of Section 1313(a) of the Code or any similar provision of other applicable Law).

Section 2.06 Third-party Consents. To the extent that Seller's rights under any Contract or Permit constituting a Purchased Asset, or any other Purchased Asset, may not be assigned to Buyer without the consent of another Person which has not been obtained, this Purchase Agreement shall not constitute an agreement to assign

the same if an attempted assignment would constitute a breach thereof or be unlawful, and Seller, at its expense, shall use its commercially reasonable efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted assignment would be ineffective or would impair Buyer's rights under such Purchased Asset so that Buyer would not in effect acquire the benefit of all such rights, Seller, to the maximum extent permitted by Law and such Purchased Asset, shall act after the Closing as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by Law and such Purchased Asset, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer. To the extent Buyer receives benefits thereunder, Buyer shall assume corresponding obligations and burdens under any such Contract or Permit.

Section 2.07 Closing Deliverables.

(a) At the Closing, Seller shall deliver to Buyer the following:

(i) with respect to each Real Property, including each Mineral Property and Mineral Right (but excluding any unpatented mining claims), a warranty deed substantially in the form set forth on **Exhibit C** (the "**Warranty Deed**"), duly executed and notarized by Seller;

(ii) with respect to any unpatented mining claims included in the Purchased Assets, a quitclaim deed, the form of which is set forth in **Exhibit D** (the "**Quitclaim Deed**", and together with the Warranty Deed, the "**Deeds**", and each, a "**Deed**");

(iii) a counterpart signature page to an assignment agreement and bill of sale (the "**Assignment Agreement and Bill of Sale**"), by and between Buyer and Seller;

(iv) a counterpart signature page to an NSR mining royalty deed and agreement in the form attached hereto as **Exhibit E** (the "**NSR Royalty Agreement**");

(v) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Seller certifying that attached thereto are true and complete copies of all resolutions adopted by Seller's board of directors and authorizing the execution, delivery and performance of this Purchase Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby;

(vi) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Seller certifying the names and signatures of the officers of Seller authorized to sign this Purchase Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder;

(vii) evidence that all Encumbrances relating to the Purchased Assets (other than Permitted Encumbrances) have been released in full, in a form satisfactory to Buyer in its sole discretion;

(viii) a certificate pursuant to Treasury Regulations Section 1.1445-2(b) that Seller is not a foreign person within the meaning of Section 1445 of the Code;

(ix) copies of all filing, approvals, consents and waivers set forth on **Section 3.03 of the Disclosure Schedule**;

(x) evidence of the instruments in which Seller acquired the Mineral Properties, Mineral Rights and Real Property; and

(xi) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to this Purchase Agreement.

(b) At the Closing, Buyer shall deliver to Seller the following:

- (i) the Closing Payment;
- (ii) a counterpart signature page to the Assignment Agreement and Bill of Sale; and
- (iii) a counterpart signature page to the NSR Royalty Agreement.

Section 2.08 Tax Withholding. Buyer will be entitled to deduct and withhold from payment of the Purchase Price and any other payments contemplated by the Transaction Documents such amounts as are required to be deducted and withheld with respect to the making of such payment under the Code, or any provision of state, local or foreign Tax Law. To the extent that amounts are so withheld, such amounts will be treated for all purposes hereof as having been paid to Seller or such other Person in respect of whom such withholding was made.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules, Seller represents and warrants to Buyer that the statements contained in this **Article III** are true and complete. Nothing in the Disclosure Schedules shall be deemed adequate to disclose an exception to a representation or warranty made herein, however, unless the Disclosure Schedules identify the exception with reasonable particularity and describe the relevant facts in reasonable detail. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty pertains to the existence of the document or other item itself).

Section 3.01 Organization and Authority of Seller. Seller is a corporation duly organized, validly existing and in good standing under the Laws of the state of Idaho. Seller has full power and authority to (a) own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducting, (b) enter into this Purchase Agreement and the other Transaction Documents to which Seller is a party, and (c) to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Seller of this Purchase Agreement and any other Transaction Document to which Seller is a party, the performance by Seller of its obligations hereunder and thereunder and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Seller. The board of directors of Seller have determined that the Purchase Price is a fair price for the assets to be conveyed by this Purchase Agreement and that the transactions contemplated by the Transaction Documents are in the best interests of Seller and have approved each Transaction Document. Each Transaction Document has been duly executed and delivered by Seller, and (assuming due authorization, execution and delivery by Buyer) each Transaction Document constitutes a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as may be limited by bankruptcy, insolvency, moratorium, or other similar laws affecting or relating to creditors' rights generally.

Section 3.02 Solvency. Seller is, and upon Closing will be, solvent, its assets exceed, and after Closing will exceed, its liabilities, and it is able, and after Closing will be able, to pay its bills and obligations in the ordinary course as they become due. No order has been made, petition presented or meeting convened for the purpose of winding up of Seller or any of its Affiliates, or for the appointment of any provisional liquidation or in relation to any other process by which the business is terminated and the assets of Seller (or such Affiliate) are distributed

amongst the creditors and/or shareholders or other contributors, and there are no proceedings under any applicable insolvency, reorganization or similar laws in any relevant jurisdiction, and no events have occurred which, under applicable Laws, would be reasonably likely to justify any such cases or proceedings. No person has taken any step, legal proceeding or other procedure with a view to the appointment of an administrator or receiver whether out of court or otherwise, in relation to Seller or any of its Affiliates, and no receiver (including any administrative receiver) has been appointed in respect of the whole or any part of any of the property, assets and/or undertaking of Seller or any of its Affiliates nor has any such order been made (including, in any relevant jurisdiction, any other order by which, during the period it is in force, the affairs, business and assets of the company concerned are managed by a person appointed for the purpose by any Governmental Authority). Neither Seller nor any of its Affiliates has taken any step with a view to a suspension of payments or a moratorium of any indebtedness or has made any voluntary arrangement with any of its creditors.

Section 3.03 No Conflicts; Consents. Except as set forth on **Section 3.03 of the Disclosure Schedule**, the execution, delivery and performance by Seller of this Purchase Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of Seller; (b) require any filing by Seller with, or the consent, approval, Permit, or Governmental Order of, any Governmental Authority or conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Seller or the Purchased Assets; require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Contract to which Seller is a party or by which Seller or the Purchased Assets is bound or to which any of the Purchased Assets are subject (including any Property Agreement) or any Permit affecting the Purchased Assets; or (d) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on the Purchased Assets.

Section 3.04 Undisclosed Liabilities. Seller does not have any liabilities, obligations or commitments of any nature whatsoever with respect to the Purchased Assets, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise (“**Liabilities**”).

Section 3.05 Contracts. Except for the Property Agreements, there are no Contracts to which Seller is a party or otherwise bound that relate to the Purchased Assets. Complete and correct copies of each Property Agreement (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Buyer.

Section 3.06 Title to Purchased Assets; Real Property.

(a) Seller is in exclusive possession or control and has good and valid title to, or a valid leasehold interest pursuant to the Property Agreements in, all of the Purchased Assets, including all Real Property, Mineral Properties, and Mineral Rights. All such properties and assets (including leasehold interests) are free and clear of Encumbrances arising from, through, or related to Seller, except for the following (collectively referred to as “**Permitted Encumbrances**”):

(i) liens for Taxes not yet due and payable;

(ii) zoning, building codes and other land use laws regulating the use or occupancy of the Real Property or the activities conducted thereon that are imposed by any Governmental Authority having jurisdiction over such Real Property that are not violated by the current use or occupancy of such Real Property;

(iii) easements, covenants, conditions, restrictions, and other similar matters of record affecting title to the Real Property that do not, individually or in the aggregate, have any material effect on the Purchased Assets;

(iv) paramount title of the United States of America (with respect to unpatented mining claims only).

(b) **Exhibit A** sets forth each parcel of real property (including the Mineral Properties and Mineral Rights) which are the subject of the Property Agreements or in which Seller has any interest (including patented or unpatented mining claims or exploration development, mining, or access rights) relating to the Purchased Assets, which together with all easements, rights-of-way and other rights and privileges appurtenant thereto are collectively referred to as the “**Real Property**”). There are no, and there have never been any, buildings, fixtures, structures or improvements situated thereon. With respect to the Real Property, Seller has delivered or made available to Buyer true, complete and correct copies of the deeds and other instruments (as recorded) by which Seller acquired such Real Property, and copies of all title insurance policies, opinions, abstracts and surveys in the possession of Seller and relating to the Real Property. With respect to each parcel of Real Property in which Seller has an interest:

(i) Seller has good and marketable title, free and clear of all Encumbrances, except Permitted Encumbrances;

(ii) Seller has not leased or otherwise granted to any Person the right to use or occupy such Real Property or any portion thereof;

(iii) except as set forth in the Property Agreements, there are no options, back-in rights, earn-in rights, rights of first refusal or similar provisions or rights which would affect Seller’s or Buyer’s interest in the Real Property; and

(iv) there are no material restrictions on the ability of Seller and its assignees, including Buyer, to use, transfer or exploit the Real Property, except pursuant to applicable Law.

(c) Other than pursuant to the Property Agreements, Seller does not currently lease any real property.

(d) The use and operation of the Real Property do not violate in any material respect any Law, covenant, condition, restriction, easement, license, permit or agreement. Seller has not received in the last five years any written notice from any Governmental Authority of any special assessments for public improvements or of any building assessments for public improvements or of any building, safety, fire, or similar defect, deficiency, or hazard relating to the Real Property which remains open, pending, or unresolved. There are no standing buildings, plants, and structures owned or leased by Seller on the Real Property. The uses of the Real Property being made, or contemplated to be made, by Seller do not violate any applicable zoning, subdivision, land use, or other Law. No third party has a right to acquire any interest in the Real Property or in Seller’s interests in the Property Agreements. There is no existing or proposed plan to modify or realign any street or highway or any existing or proposed eminent domain or expropriation Action that would result in the taking of all or part of any parcel of Real Property or that would prevent or hinder the continued use of any such parcel as currently used by Seller. There are no Actions pending nor, to Seller’s Knowledge, overtly threatened against or affecting the Real Property or any portion thereof or interest therein in the nature or in lieu of condemnation.

(e) Seller has not received any written notice of (i) violations of building codes and/or zoning ordinances or other governmental or regulatory Laws affecting the Real Property, (ii) existing, pending or threatened condemnation proceedings affecting the Real Property, or (iii) existing, pending or threatened zoning, building code or other moratorium proceedings, or similar matters (including any orders, citations, recommendations, or notices of the U.S. Mine Safety Health Administration, U.S. Environmental Protection Agency, or the Bureau of Land

Management) which could reasonably be expected to adversely affect the ability to operate the Real Property as currently operated. Neither the whole nor any material portion of any Real Property has been damaged or destroyed by fire or other casualty.

(f) With respect to the Mineral Properties and Mineral Rights (including, as applicable, the Mineral Properties and Mineral Rights in which Seller holds an interest under the Property Agreements):

(i) Seller is in exclusive possession or control of the right to develop the minerals that are locatable under the Mining Law of 1872, as amended, located in, on or under such Mineral Properties and Mineral Rights;

(ii) The unpatented mining claims were properly laid out, monumented and the monuments of location for the mining claims are on Federal public land open for mineral claim staking;

(iii) All required location work was properly performed;

(iv) Location notices, certificates and mining claim maps were properly recorded and filed with appropriate Governmental Authorities;

(v) All assessment work has been performed, or fee payments in lieu thereof made, as required to hold the unpatented mining claims through the assessment year ending August 31, 2018;

(vi) All affidavits of assessment work and other filings required to maintain the claims in good standing have been properly and timely recorded or filed with appropriate governmental agencies;

(vii) There are no outstanding payment obligations due pursuant to the Property Agreements, and any and all payment obligations have been satisfied as of the Closing Date;

(viii) With respect to each Property Agreement, neither Seller nor, to Seller's Knowledge, any other party thereto is in breach of or default under (or is alleged to be in breach of or default under) or has provided or received any notice of any intention to terminate, any such agreement;

(ix) Seller has the authority under such Property Agreements to perform its obligations under this Purchase Agreement;

(x) Such Property Agreements are valid, in good standing, binding on Seller in accordance with their terms and in full force and effect;

(xi) No event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Property Agreement or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder;

(xii) Other than pursuant to the Property Agreements and payments owed to Governmental Authorities, there are no existing mineral production royalties or other payments of any kind which are payable with respect to the Mineral Properties, Mineral Rights, or any ores, minerals and mineral resources or anything else of value that may be mined and produced from the Mineral Properties;

(xiii) Seller is not a party to, and to Seller's Knowledge, there is no existing oral or written agreement of any kind which does or could have any adverse impact whatsoever on record or possessory title to the mineral estate of the Mineral Properties, the Mineral Rights, or the access to, exploration, development or mining of same;

(xiv) To Seller's Knowledge, there are no existing restrictions which would have any adverse effect on the right to explore, develop and mine mineral substances from the Mineral Properties, excluding restrictions contained in applicable Laws;

(xv) Seller has all surface and access rights, including as applicable fee simple estates, leases, easements, rights of way and permits, or licenses from landowners or Governmental Authorities, permitting the use of land by Seller, and other interests that are required for the current state of exploiting the development potential of the Mineral Properties and the Mineral Rights. The Mineral Properties and Mineral Rights are free and clear of all defects, liens and encumbrances and include all mineral concessions, claims, leases, licenses, permits, access rights, timber rights, water rights, and other rights and interest necessary to explore for minerals, ores, or metals and remove timber without any Liability or obligation to pay any commission, royalty, license fee, net smelter return, or any similar payment to any Person and to use, transfer, or exploit the Mineral Properties pursuant to applicable Law, except (A) for Permitted Encumbrances; (B) as expressly disclosed in the Property Agreements; and (C) Permits from Governmental Authorities to develop, mine or produce minerals, ores or metals from the Mineral Properties; and

(xvi) To the Knowledge of Seller, there are no conflicting claims.

(g) The Mineral Properties and Mineral Rights are free and clear of all defects, liens and encumbrances and include all mineral concessions, claims, leases, licenses, permits, access rights, timber rights, water rights, and other rights and interest necessary to explore for minerals, ores, or metals and remove timber without any Liability or obligation to pay any commission, royalty, license fee, net smelter return, or any similar payment to any Person and to use, transfer, or exploit the Mineral Properties pursuant to applicable Law, except (i) for Permitted Encumbrances; (ii) as expressly disclosed in the Property Agreements; and (iii) Permits from Governmental Authorities to develop, mine or produce minerals, ores or metals from the Mineral Properties.

(h) There is no judgment outstanding and no litigation, action, proceeding or governmental investigation is pending or threatened, against it, or the Mineral Properties or Mineral Rights, which would have an adverse effect on the title or interest thereof, nor has any communication been received asserting or threatening any adverse claim to any part of the Mineral Properties or Mineral Rights.

(i) Seller has made available to Buyer all information and data pertaining to the Mineral Properties and Mineral Rights in its possession or knowledge, including plans of operation; notices of intent; Permits, including those related to exploration drilling, pad and road construction; mining exploration; land and survey records; the existence of minerals within the Mineral Properties, including relevant reserve and resource estimates; metallurgical test work and sampling data; drill data and assay results; the Property Agreements; reclamation and bond release information; and all information concerning record, possessory, legal or equitable title to the Mineral Properties and Mineral Rights which is within its knowledge, possession or control.

(j) Seller has timely taken all steps necessary and desirable to secure and perfect its interest in its Water Rights, and has not transferred or encumbered any of its Water Rights or timber rights.

Section 3.07 Insurance. Seller has in place, and in the last five years has maintained policies or binders of fire, liability, real and personal property, workers' compensation, vehicular, fiduciary liability or other casualty and property insurance. With respect to each insurance policy, (a) such insurance policy is legal, valid, binding, enforceable, and in full force and effect and all premiums due and payable to date thereunder have been paid; (b) neither Seller, nor, to Seller's Knowledge, any other party to such insurance policy is or has been in default or otherwise in breach thereof (including regarding payment of premiums or giving notices); and (c) no event has occurred that (with or without the passage of time or giving of notice) would reasonably be expected to constitute such a default or breach, or permit termination, modification, cancellation or acceleration of any right or obligation under such insurance policy.

Section 3.08 Legal Proceedings; Governmental Orders.

(a) There are no, and in the past five years, there have been no, actions pending or, to Seller's Knowledge, threatened (i) against or by Seller or any of its Affiliates relating to or affecting the Mineral Properties, Mineral Rights, or the Purchased Assets; or (ii) against or by Seller or any Affiliate of Seller that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Purchase Agreement. To Seller's Knowledge, no event has occurred, or circumstances exist that it reasonably expects to give rise to, or serve as a basis for, any such Action.

(b) There are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting the Purchased Assets. Seller is in compliance with the terms of each Governmental Order. No event has occurred, or circumstances exist that may constitute or result in (with or without notice or lapse of time) a violation of any such Governmental Order.

Section 3.09 Compliance with Laws; Permits.

(a) Seller has complied, and is now complying, with all Laws applicable to it or the Purchased Assets, the Mineral Properties, or the Mineral Rights. Seller has not received in the last five years any notice or other communication from any Governmental Authority or any other Person regarding any actual, alleged, or potential violation of, or failure to comply with, any Law.

(b) All Permits required for the ownership, access, operation, development, maintenance and use of the Purchased Assets, including the Mineral Properties and Mineral Rights, have been obtained by Seller and are valid and in full force and effect, and Seller is in compliance with any and all conditions specified therein. All fees and charges with respect to such Permits as of the Closing Date have been paid in full. No event has occurred, or circumstances exist that, with or without notice or lapse of time or both, is reasonably expected to result in the revocation, suspension, modification, lapse, or limitation of any Permit. Seller has complied with and is in compliance with all Permits. Seller has not received in the last five years any notice or other communication from any Governmental Authority or any other Person regarding (i) any actual, alleged, or potential violation of, or failure to comply with, any Permit, or (ii) any actual, proposed, or potential revocation, suspension, modification, lapse, or limitation of any Permit. All applications required to have been filed for the renewal or reissuance of the Permits have been duly filed on a timely basis with the appropriate Governmental Authorities, and all other filings required to have been made with respect to such Permits have been duly made on a timely basis with the appropriate Governmental Authorities.

Section 3.10 Environmental Matters.

(a) Seller is currently, and has been, in compliance with all Environmental Laws, and Seller has not received from any Person any: (i) Environmental Notice or Environmental Claim; (ii) written or oral request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the Closing Date; or (iii) notice of any actual, alleged, or potential obligation on the part of Seller to undertake, or to bear all or any portion of the cost of, any environmental investigations, removal actions, or remedial actions with respect to the Purchased Assets, including, but not limited to, the Mineral Properties, Mineral Rights and Real Property.

(b) Seller has obtained and is in compliance with all Environmental Permits necessary for the ownership, access, lease, operation or use of the Purchased Assets and all such Environmental Permits are in full force and effect and shall be maintained in full force and effect by Seller through the Closing Date in accordance with Environmental Law, and Seller is not aware of any condition, event or circumstance that might prevent or impede, after the Closing Date, the ownership, access, lease, operation or use of the Purchased Assets in connection with current practice. With respect to any such Environmental Permits, Seller has undertaken, or will undertake

prior to the Closing Date, all measures necessary to facilitate transferability of the same as required by any Environmental Law, and Seller is not aware of any condition, event or circumstance that might prevent or impede the transferability of the same, nor has it received any Environmental Notice or written communication regarding any material adverse change in the status or terms and conditions of the same.

(c) None of the Purchased Assets or any real property currently or formerly owned, operated or leased by Seller (including the Mineral Properties) is listed on, or has been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA, or any state or similar listing of contaminated or potentially contaminated sites, including databases established for leaking underground storage tanks or voluntary remediations.

(d) There has been no Release of Hazardous Materials or other action giving rise to any liability under Environmental Law with respect to the Purchased Assets or any real property currently or formerly owned, operated or leased by Seller (including the Mineral Properties), and Seller has not received an Environmental Notice that any real property currently or formerly owned, operated or leased in connection with the Purchased Assets (including soils, groundwater, surface water, buildings and other structure located on any such real property) has been contaminated with any Hazardous Material.

(e) Seller has none of the following existing at any property or facility owned or operated by Seller which is part of the Purchased Assets: (i) underground storage tanks; (ii) above-ground storage tanks; (iii) asbestos-containing material in any form or condition; (iv) materials or equipment containing polychlorinated biphenyls; (v) landfills, surface impoundments, subsurface vaults, or disposal areas; (vi) abandoned or discarded barrels, drums, containers, tanks, and other receptacles containing (or previously containing) any Hazardous Materials; (vii) chemicals, polymers, mixtures, oils, petroleum-based materials, pesticides, or nuclear or radioactive materials, or other Hazardous Materials, except those imported, commercialized, generated, used, stored, treated, disposed, or otherwise managed in compliance with Environmental Law; or (viii) subsurface conditions that could lead to vapor intrusion issues.

(f) Seller has no off-site Hazardous Materials treatment, storage, or disposal facilities or locations used by Seller in connection with the Purchased Assets and any predecessors as to which Seller may retain liability, and none of these facilities or locations has been placed or proposed for placement on the National Priorities List (or CERCLIS) under CERCLA, or any state or similar list, and Seller has not received any Environmental Notice regarding potential liabilities or potentially responsible party status with respect to such off-site Hazardous Materials treatment, storage, or disposal facilities or locations used by Seller.

(g) Seller has not retained or assumed, by contract or operation of Law, any liabilities or obligations of third parties under Environmental Law.

(h) Seller has no (i) environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, economic models and other similar documents with respect to the Purchased Assets or any currently or formerly owned, operated or leased real property which are in the possession or control of Seller related to compliance with Environmental Laws, Environmental Claims or an Environmental Notice or the Release of Hazardous Materials; or (ii) any material documents concerning planned or anticipated capital expenditures required to reduce, offset, limit or otherwise control pollution and/or emissions, manage waste or otherwise ensure compliance with current or future Environmental Laws (including costs of remediation, pollution control equipment and operational changes).

(i) There is no event or circumstance concerning the Release or regulation of Hazardous Materials that is reasonably expected to, after the Closing Date, prevent, impede or materially increase the costs associated with the transfer, ownership, lease, operation, performance or use of the Purchased Assets.

(j) Neither Seller nor any of its predecessors has imported, treated stored, cleaned, decontaminated, transported, handled, researched, manufactured, labelled, or distributed any substance, product, chemical, mixture, polymer, equipment, or material, including any Hazardous Materials, in violation of, or giving rise to any liability under, any Environmental Law.

(k) None of the Real Property or any other property formerly owned, leased, or operated by Seller has been subject to any voluntary remediations or clean-ups for historic contamination (conducted either privately or pursuant to any Environmental Law).

Section 3.11 Taxes.

(a) All Tax Returns required to be filed with respect to the Purchased Assets have been timely filed. Such Tax Returns are complete and correct in all respects and were prepared in compliance with all applicable Laws. All Taxes due and owing by Seller with respect to the Purchased Assets (whether or not shown on any Tax Return), have been timely paid.

(b) With respect to the Purchased Assets, there are no pending or overtly threatened Actions by any taxing authority, and Seller does not reasonably expect any Governmental Authority to assess any additional Taxes for any period.

(c) There are no Encumbrances for Taxes (other than for current Taxes not yet due and payable) upon any of the Purchased Assets.

(d) Seller is not a “foreign person” as that term is used in Treasury Regulations Section 1.1445-2.

Section 3.12 Books and Records. The Books and Records are complete and correct and have been maintained in accordance with sound business practices.

Section 3.13 Full Disclosure. The representations and warranties by Seller in this Purchase Agreement and the Disclosure Schedules and any certificate or other document furnished or to be furnished to Buyer pursuant to this Purchase Agreement, do not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading. Seller is not aware of any material facts or circumstances, which have not been disclosed in writing, which should be disclosed to Buyer in order to prevent the representations in this **Article III** from being misleading.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules, Buyer represents and warrants to Seller that the statements contained in this **Article IV** are true and complete as of the Closing Date.

Section 4.01 Organization and Authority of Buyer. Buyer is a corporation duly formed, validly existing and in good standing under the Laws of the State of Delaware. Buyer has full corporate power and authority to enter into this Purchase Agreement and the other Transaction Documents to which Buyer is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Purchase Agreement and any other Transaction Document to which Buyer is a party, the performance by Buyer of its obligations hereunder and thereunder, and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Buyer. This Purchase Agreement has been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller) this Purchase Agreement constitutes a legal, valid and binding

obligation of Buyer enforceable against Buyer in accordance with its terms, except as may be limited by bankruptcy, insolvency, moratorium, or other similar laws affecting or relating to creditors' rights generally.

Section 4.02 No Conflicts; Consents. The execution, delivery and performance by Buyer of this Purchase Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of Buyer; (b) require any filing by Buyer or with, or the consent, approval, Permit, or Governmental Order of, any Governmental Authority or conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Buyer; or (c) require the consent, notice or other action by any Person under any Contract to which Buyer is a party.

Section 4.03 Legal Proceedings. There are no Actions pending or, to Buyer's Knowledge, overtly threatened against or by Buyer or any Affiliate of Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by the Transaction Documents.

ARTICLE V COVENANTS

Section 5.01 Confidentiality. From and after the Closing, Seller shall, and shall cause its Affiliates to, hold, and shall use their commercially reasonable best efforts to cause their respective Representatives to hold, in confidence any and all confidential or proprietary information, whether written or oral, concerning the business, assets, operations, financial condition, plans, or affairs of the Purchased Assets, the Mineral Properties, the Mineral Rights, or the Property Agreements (whether in verbal, written, graphic, electronic, or other form), except to the extent that Seller can show that such information (a) is generally available to and known by the public through no fault of Seller, or any of its Affiliates or their respective Representatives, (b) is lawfully acquired by Seller, any of its Affiliates or their respective Representatives from and after the Closing from sources which are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation, (c) is disclosed with the express written consent of an officer or director of Buyer, or (d) is requested, required, or compelled to be disclosed by applicable Law or Governmental Authority. If Seller or any of its Affiliates or their respective Representatives are so requested, required, or compelled to disclose any information by judicial or administrative process or by other requirements of applicable Law or Governmental Authority, Seller shall promptly so notify Buyer in writing and shall disclose only that portion of such information which Seller is advised by its counsel in writing is so requested, required, or compelled to be disclosed, *provided*, that Seller shall use commercially reasonable best efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded to such information.

Section 5.02 Cooperation.

(a) After the Closing, Seller shall cooperate with Buyer and its counsel and make itself and its Representatives available to Buyer in connection with the institution or defense of any Action, whether existing, threatened, or anticipated, involving or relating to the transactions contemplated by this Purchase Agreement, Buyer, Seller, or the Purchased Assets, including providing testimony, records, and other information.

(b) If Buyer or any of its Affiliates requests any action to be taken by Seller pursuant to this **Section 5.02(b)**, Buyer shall reimburse for the reasonable out-of-pocket costs and expenses incurred by Seller (unless Buyer or its Affiliate is entitled to indemnification therefor under this Purchase Agreement).

Section 5.03 Public Announcements. Unless otherwise required by applicable Law or any applicable stock exchange requirements (based upon the reasonable advice of counsel), no Party shall make any public announcements in respect of this Purchase Agreement or the other Transaction Documents or the transactions

contemplated hereby or thereby or otherwise communicate with any news media without the prior written consent of the other Party. Seller must provide Buyer with a written copy of any proposed announcement at least five (5) days in advance of the planned release of such announcement, and Buyer will have the right to modify such announcement at its discretion.

Section 5.04 Bulk Sales Laws. The Parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Buyer; it being understood that any Liabilities arising out of the failure of Seller to comply with the requirements and provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction shall remain with Seller.

Section 5.05 Taxes. All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Purchase Agreement and the other Transaction Documents (including any real property transfer Tax and any other similar Tax), if any, shall be borne and paid by Seller when due, and Seller shall, at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and Buyer shall cooperate with respect thereto as necessary). In the case of any Taxes with respect to the Purchased Assets that relate in whole or in part to periods both prior to and after the Closing Date (“**Straddle Period**”), such Taxes will be prorated between Buyer and Seller based upon the number of days of the taxable period before and after the Closing Date. The proration of such Taxes will be addressed by direct payment between Buyer and Seller. Buyer will prepare and file, at its expense, all Tax Returns for all such Taxes relating to a Straddle Period.

Section 5.06 Tax Clearance Certificates. If requested by Buyer, Seller shall notify all of the taxing authorities in the jurisdictions that impose Taxes on Seller or where Seller has a duty to file Tax Returns of the transactions contemplated by this Purchase Agreement in the form and manner required by such taxing authorities, if the failure to make such notifications or receive any available tax clearance certificate (a “**Tax Clearance Certificate**”) could subject Buyer or the Purchased Assets to any Taxes of such Seller. If any taxing authority asserts that any Seller is liable for any Tax, Seller shall promptly pay any and all such amounts and shall provide prompt written evidence to Buyer that such liabilities have been paid in full or otherwise satisfied.

Section 5.07 Further Assurances; Purchased Assets Relationships. Following the Closing, each of the Parties shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances (including any Books and Records not otherwise delivered to Buyer prior to the Closing) and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Purchase Agreement. Following the Closing, Seller shall cooperate with Buyer in its efforts to continue for the benefit of Buyer those business relationships of Seller relating to the Purchased Assets, including relationships with any consultants, suppliers, licensors, licensees, lessors, and others. Seller shall refer to Buyer all inquiries and communications received by Seller relating to the Purchased Assets after the Closing.

Section 5.08 Noncompete Within Area of Interest; Non-Solicitation. Seller covenants and agrees that, for a period beginning on March 23, 2018 and continuing until the date that is five (5) years following the date on which Buyer’s obligations to pay royalties under the NSR Royalty Agreement terminate (the “**Restricted Period**”), it will not, and it will cause its Affiliates not to, directly or indirectly through any Person, (a) compete with Buyer in any manner within the Area of Interest (“**AOI**”) as shown on the map attached hereto as **Exhibit B**; engage in any activity in the AOI, whether directly, indirectly, by agreement or otherwise through a third party, which would be adverse to Buyer and the Properties; or (c) acquire any properties within the AOI.

The Parties hereto covenant and agree that, for a period beginning on March 23, 2018 and continuing until the date that is five (5) years following the Closing Date, neither Party will, nor will any Affiliate of a Party, directly or indirectly through any Person, (i) solicit, aid or induce, or attempt to solicit, aid or induce, any employee,

representative, contractor or agent to leave such employment or retention, as applicable, of either Party or any of their Affiliates or, in the case of employees, to accept employment with or render services to or with any other Person unaffiliated with the original employing Party; or (ii) hire or retain any such employee, or take any action to assist or aid any other Person in identifying, hiring or soliciting any such employee, or otherwise interfere with the relationship between the Party and any employee, representative, contractor or agent (the “Non-Solicitation”).

The Parties agree that the limitations set forth in this **Section 5.08** are reasonable and necessary for the protection of Buyer. If any covenant in this **Section 5.08** is found to be unreasonable, arbitrary, against public policy, or otherwise not enforceable in accordance with its terms, then such covenant will be considered to be divisible with respect to scope, time, and geographic area, and such lesser scope, time, or geographic area, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, or not against public policy, will be effective, binding, and enforceable against the Seller and its Affiliates. The Parties covenant that they will not challenge the reasonableness or enforceability of any of the covenants set forth in this **Section 5.08**. The Parties acknowledge and affirm that a breach of this **Section 5.08** cannot be adequately compensated in any Proceeding for damages at Law, and equitable relief would be necessary to protect the non-breaching Party from a violation hereof and from the harm that this **Section** is intended to prevent. Accordingly, the Parties agree that in the event of any actual or threatened breach of such provisions, the non-breaching Party will (in addition to any other remedies which they may have) be entitled to enforce its rights and the breaching Party’s obligations hereunder not only by a Proceeding or Proceedings for damages, but also by a Proceeding or Proceedings for specific performance, temporary or permanent injunctive relief or other equitable relief in order to enforce or prevent any violations (whether anticipatory, continuing or future) of the provisions hereof (including the extension of the Restricted Period by a period equal to (x) the length of the violation hereof *plus* (y) the length of any Proceedings necessary to stop such violation) and recover attorneys’ fees and costs for the same, and such relief may be granted without the necessity of proving actual damages or the inadequacy of money damages, or posting bond. In the event of a breach or violation by Seller of any of the provisions hereof, the running of the Restricted Period (but not Seller’s obligations hereunder) will be tolled with respect to Seller during the continuance of any actual breach or violation.

Section 5.09 Noncompete Outside of Area of Interest. Buyer agrees that, for a period beginning on March 23, 2018 and continuing until the date that is one (1) year following the Closing Date, Buyer shall not acquire any properties in the area south of the AOI to Highway NF-9, west to the North Fork of the Coeur d’Alene River and east to the Montana state line.

Section 5.10 Recordation of Deeds. Promptly following the Closing, Buyer will cause each Deed to be recorded with the County Clerk of Shoshone County, Idaho.

ARTICLE VI INDEMNIFICATION

Section 6.01 Survival. Subject to the limitations and other provisions of this Purchase Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date that is two years from the Closing Date; *provided*, that the representations and warranties in **Sections 3.01, 3.06, 3.09, 3.10, 3.13, 4.01, 4.03** and **5.08** shall survive indefinitely and the representations and warranties in **Section 3.11** shall survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof) plus sixty (60) days. All covenants and agreements of the Parties contained herein shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching Party to the breaching Party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

Section 6.02 Indemnification by Seller. Seller will indemnify and hold harmless Buyer and its affiliates, and their respective officers, directors, managers, shareholders, employees, control persons, affiliates, agents, successors and assigns from any and all Losses suffered, sustained, incurred or paid by them, directly or indirectly arising out of or resulting from or related to: (a) the breach of any representation or warranty by Seller contained in any Transaction Document or in any Disclosure Schedule, agreement, certificate or other document delivered by or on behalf of Seller in connection herewith or therewith, and with respect to any Third-party Claim (as hereinafter defined) alleging facts that, if true, would constitute such a breach; (b) the breach of any covenant or agreement by Seller contained in any Transaction Document or in any Disclosure Schedule, agreement, certificate or other document delivered by or on behalf of Seller in connection herewith or therewith; (c) any and all Liabilities and obligations of, or claims against, Seller; (d) any Taxes of Seller; (e) the ownership or use of the Purchased Assets prior to the Closing; or (f) any noncompliance of Seller with applicable state or other bulk sales or transfer in bulk Laws in connection with the transactions contemplated by the Transaction Documents.

Section 6.03 Indemnification by Buyer. Buyer will indemnify and hold harmless Seller and its affiliates, and their respective shareholders, officers, directors, managers, employees, control persons, affiliates, agents, successors and assigns from any and all Losses suffered, sustained, incurred or paid by them, directly or indirectly arising out of or resulting from or related to: (a) the breach of any representation or warranty by Buyer contained in any Transaction Document, agreement, certificate or other document delivered by or on behalf of Seller in connection herewith or therewith, and with respect to any Third-party Claim alleging facts that, if true, would constitute such a breach; (b) the breach of any covenant or agreement by Buyer contained in any Transaction Document or in any Disclosure Schedule, agreement, certificate or other document delivered by or on behalf of Seller in connection herewith or therewith; or (c) any Taxes of Buyer.

Section 6.04 General Indemnification Provisions.

(a) For the purposes of this **Section 6.04**, the term “**Indemnitee**” shall refer to the person indemnified, or entitled, or claiming to be entitled to be indemnified, pursuant to the provisions of **Section 6.02** or **Section 6.03**, as the case may be; the term “**Indemnitor**” shall refer to the person having the obligation to indemnify pursuant to such provisions.

(b) An Indemnitee shall give written notice (a “**Notice of Claim**”) to the Indemnitor within ten (10) days after the Indemnitee has knowledge of any claim (including a Third-party Claim, as hereinafter defined) which an Indemnitee has determined has given or could give rise to a right of indemnification under this Purchase Agreement. No failure to give such Notice of Claim shall affect the indemnification obligations of the Indemnitor hereunder, except to the extent Indemnitor can demonstrate such failure materially prejudiced such Indemnitor’s ability to successfully defend the matter giving rise to the claim. The Notice of Claim shall state the nature of the claim, the amount of the Loss, if known, and the method of computation thereof, all with reasonable particularity and containing a reference to the provisions of this Purchase Agreement in respect of which such right of indemnification is claimed or arises. The rights of any party to indemnification or other remedies hereunder will not be affected in any way by any investigation conducted or knowledge acquired at any time by such party with respect thereto and an Indemnitee may make a claim hereunder even where the full amount of the Losses is not yet known.

(c) If an Indemnitor does not notify in writing the Indemnitee within thirty (30) days after delivery of the Notice of Claim that the Indemnitor disputes such claim, the amount of such claim shall be conclusively deemed a liability of the Indemnitor hereunder. If the Indemnitor makes an objection in writing, the Indemnitee and Indemnitor shall attempt in good faith for fifteen (15) days to agree upon the rights of the respective parties with respect to such claim. If the Indemnitee and Indemnitor should so agree, a memorandum setting forth such agreement shall be prepared and signed by both parties. If such parties shall not agree, each Indemnitee shall be entitled to initiate proceedings and seek remedies as may be permitted under the terms of this Purchase Agreement and applicable law.

(d) The obligations and liabilities of an Indemnitor under this **Article VI** with respect to Losses arising from claims of any third party that are subject to the indemnification provisions provided for in this **Article VI** (“**Third-party Claims**”) shall be governed by the following additional terms and conditions: the Indemnitee shall promptly deliver to the Notice of Claim in accordance with **Section 6.04(b)** to the Indemnitor, and upon the written agreement of the Indemnitor that it is obligated to indemnify under this **Article VI**, the Indemnitor shall have the right to assume and control the defense (including all proceedings on appeal or for review which counsel for the defendant shall deem appropriate) of such Third-party Claim by appropriate proceedings at its sole cost and expense with counsel reasonably acceptable to the Indemnitee, in which case the Indemnitor shall reasonably settle or prosecute such Third-party Claim to a final conclusion. The Indemnitee will have the right to employ its own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of the Indemnitee except as set forth in subpart (e) below. The Indemnitee shall be kept informed of such Third-party Claim at all stages thereof, whether or not it is so represented. Upon reasonable notice, Indemnitor shall make available to the Indemnitee and its attorneys and accountants all books and records of the Indemnitor relating to such Third-party Claim, and the parties hereto agree to render to each other such assistance as they may reasonably require of each other in order to ensure the proper and adequate defense of any such Third-party Claim.

(e) Notwithstanding anything in this **Article VI** to the contrary, the Indemnitee will have the right to conduct and control, through counsel of its choosing, the defense, compromise and settlement of any Third-party Claim that (i) seeks as a remedy an injunction or other equitable or non-monetary relief against the Indemnitee; (ii) the settlement of which may act as an adverse and binding precedent upon the Indemnitee with respect to similar claims or demands; (iii) involves any criminal Proceeding; (iv) creates a conflict of interest between the Indemnitor and Indemnitee; (v) the Indemnitee reasonably concludes that there are defenses available to it which are different from or additional to those available to the Indemnitor; (vi) the Indemnitee reasonably concludes that such Third-party Claim involves to a significant extent matters beyond the scope of the indemnity provisions in this **Article VI**; or (vii) the settlement of which may have, in the Indemnitee’s reasonable judgment, a material and adverse effect on the Indemnitee. Additionally, the Indemnitor will lose its right to contest, defend, litigate and settle the Third-party Claim if (A) it fails to accept a tender of the defense of the Third-party Claim, (B) it fails to diligently contest the Third-party Claim or (C) it fails to provide the Indemnitee with evidence reasonably satisfactory to the Indemnitee that the Indemnitor has the financial resources to actively and diligently conduct the defense of such Third-party Claim and fulfil the Indemnitor’s indemnification obligations hereunder with respect thereto upon the Indemnitee’s reasonable request therefor. In any such event set forth in this subpart (e), that portion of such fees and expenses reasonably related to matters covered by the indemnity provisions contained in **Article VI** will be borne by the Indemnitor.

(f) Notwithstanding the foregoing, no compromise or settlement of any claim shall be made without the consent (not to be unreasonably withheld, conditioned, or delayed) of the Indemnitee unless all Losses related to such claim are paid in full by the Indemnitor or other third-party source, such compromise or settlement results in the full and unconditional release of all claims with no admission of wrongdoing against the Indemnitee and its affiliates by the party asserting such claim, and such compromise or settlement excludes any injunctive or non-monetary relief applicable to the Indemnitee or its Affiliates.

Section 6.05 Recourse. Any indemnification obligations of Seller under this **Article VI** may be satisfied, at Buyer’s election, in cash or by set off against any amounts owed by Buyer to Seller under this Agreement or any other Transaction Document. Any set off hereunder against any amount payable to Seller will not be deemed to modify Seller’s obligations with respect to indemnification or the survival of representations and warranties, nor will any set off serve as a cap on or the sole source of funds to satisfy Seller’s indemnification obligations or otherwise limit Buyer’s remedies hereunder. The exercise of or failure to exercise such right of set off will not constitute an election of remedies or limit in any manner the enforcement of any other remedy that may be available to Buyer.

ARTICLE VII
MISCELLANEOUS

Section 7.01 Expenses. All costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Purchase Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section 7.02 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient, or (d) on the fourth Business Day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 7.02**):

If to Seller: New Jersey Mining Company
 201 N. 3rd Street
 Coeur d'Alene, ID 83814
 Telephone: 208.625.9001
 Attention: President

If to Buyer: Hecla Silver Valley, Inc.
 6500 N. Mineral Drive, Suite 200
 Coeur d'Alene, ID 83815-9408
 Telephone: 208.769.4100
 Attention: Exploration Manager

Section 7.03 Time is of the Essence. Time is of the essence with respect to all time periods and due dates in this Purchase Agreement.

Section 7.04 Headings. The headings in this Purchase Agreement are for reference only and shall not affect the interpretation of this Purchase Agreement.

Section 7.05 Severability. If any term or provision of this Purchase Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Purchase Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this Purchase Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 7.06 Entire Agreement. This Purchase Agreement, the other Transaction Documents, the Exhibits and Disclosure Schedules, and that certain Letter Agreement, dated as of April 11, 2018, by and between Buyer and Seller (the "Letter Agreement") constitute the sole and entire agreement of the Parties with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous representations, warranties, disclosures, understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Purchase Agreement and those in the

other Transaction Documents, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Purchase Agreement will control. In the event of any inconsistency between the statements in the Letter Agreement and those in this Purchase Agreement, the other Transaction Documents, or the Exhibits and Disclosure Schedules, the statements in this Purchase Agreement, the other Transaction Documents, or the Exhibits and Disclosure Schedules will control.

Section 7.07 Successors and Assigns. This Purchase Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed.

Section 7.08 No Third-party Beneficiaries; No Admissions. This Purchase Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and except with respect to any Indemnitee, nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Purchase Agreement. All references in this Purchase Agreement, including the Exhibits and Disclosure Schedules, and the Transaction Documents to the enforceability of agreements with third parties, the existence or non-existence of third-party rights, the absence of breaches or defaults by third parties, or similar matters or statements, are intended only to allocate rights and risks between the Parties and are not intended to be admissions against interests, give rise to any inference or proof of accuracy, be admissible against any party by any non-party, or give rise to any claim or benefit to any non-party.

Section 7.09 Amendment and Modification; Waiver. This Purchase Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Purchase Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 7.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Purchase Agreement and all matters arising out of or relating to this Purchase Agreement shall be governed by and construed in accordance with the internal laws of the State of Idaho without giving effect to any choice or conflict of law provision or rule (whether of the State of Idaho or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Idaho.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS PURCHASE AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MUST BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE STATE OF IDAHO IN EACH CASE LOCATED IN THE CITY OF COEUR D'ALENE AND COUNTY OF KOOTENAI, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR

PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS PURCHASE AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS PURCHASE AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (II) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS PURCHASE AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS **SECTION 7.10(c)**.

Section 7.11 Specific Performance; No Punitives. The Parties agree that irreparable damage would occur if any provision of this Purchase Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity. Remedies for breach of contract shall not be exclusive of remedies in tort. No Party shall seek or be entitled to any punitive, exemplary, speculative, or remote damages from any other Party, whether in contract or tort, in any claim, suit, or proceeding arising from or related to this Purchase Agreement or the transactions contemplated hereby.

Section 7.12 Counterparts. This Purchase Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Purchase Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Purchase Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Purchase Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

NEW JERSEY MINING COMPANY

By _____

Name: John Swallow

Title: President/CEO

HECLA SILVER VALLEY, INC.

By _____

Name: Dean W.A. McDonald

Title: President

Exhibit A

PROPERTY DESCRIPTION

Patented Mining Claims

Eight (8) Patented Mining Claims located in Section 9, Township 50 North, Range 5 East, B.M. Shoshone County, Idaho (surface rights only):

<u>CLAIM NAME</u>	<u>MINERAL SURVEY NUMBER</u>
St. Paul	MS #634
Baker (75% only)	MS #635
Beehive Mountain Rose	MS #1262
Crown Point Emma	MS #1403
Belcher Best	MS #1650

Unpatented Mining Claims

One Hundred Six (106) Unpatented Mining Claims located in Sections 4-10, 14-17, and 21-26, Township 50 North, Range 5 East, and Sections 22 and 30, Township 50 North, Range 6 East, B.M. Shoshone County, Idaho:

Claim Name	Serial Number	Township Range Section	Subdiv	Claim Group
CA 5	IMC190484	50N 5E 22	NW, SW	CA Anomaly
CA 7	IMC190486	50N 5E 22	NW, SW	CA Anomaly
GB #1	IMC190049	50N 6E 30	NW, SW	Gold Butte
GB #2	IMC190050	50N 6E 30	NW, SW	Gold Butte
GB #3	IMC190051	50N 6E 30	SW	Gold Butte
GB #4	IMC190052	50N 6E 30	SW, SE	Gold Butte
GB #5	IMC190053	50N 6E 30	NW	Gold Butte
GB #6	IMC190054	50N 6E 30	NW	Gold Butte
GB #11	IMC192101	50N 6E 30	NW, SW	Gold Butte
GR #1	IMC191235	50N 5E 15	SE	Golden Reward
GR #2	IMC191236	50N 5E 15	SE	Golden Reward
GR #3	IMC191237	50N 5E 15	SW, SE	Golden Reward
GR #4	IMC192649	50N 5E 15	NE, SE	Golden Reward
GR #5	IMC192650	50N 5E 15	NE, SE	Golden Reward
GR #6	IMC192651	50N 5E 15	NE, SE	Golden Reward
GR #7	IMC192652	50N 5E 14	NW, SW	Golden Reward
		50N 5E 15	NE, SE	

Claim Name	Serial Number	Township Range Section	Subdiv	Claim Group
GR #8	IMC192653	50N 5E 15	SE	Golden Reward
GR #9	IMC192654	50N 5E 15	SE	Golden Reward
		50N 5E 22	NE	
GR #10	IMC192655	50N 5E 15	SE	Golden Reward
		50N 5E 22	NE	
GR #11	IMC192656	50N 5E 15	SW, SE	Golden Reward
		50N 5E 22	NE, NW	
GR #12	IMC192657	50N 5E 15	SW, SE	Golden Reward
		50N 5E 22	NW	
GR #13	IMC193968	50N 5E 14	NW, SW	Golden Reward
		50N 5E 15	SE	
GR #14	IMC193969	50N 5E 14	SW	Golden Reward
		50N 5E 15	SE	
		50N 5E 22	NE	
GR #15	IMC193970	50N 5E 15	SE	Golden Reward
		50N 5E 22	NE	
GR #32	IMC193987	50N 5E 14	SW	Golden Reward
		50N 5E 15	SE	
		50N 5E 22	NE	
		50N 5E 23	NW	
GR #33	IMC193988	50N 5E 22	NE	Golden Reward
		50N 5E 23	NW	
WHITE GOLD #1	IMC184441	50N 5E 6	SE	Lost Eagle
		50N 5E 7	NE	
WHITE GOLD #5	IMC186197	50N 5E 5	SW	Lost Eagle
		50N 5E 6	SE	
		50N 5E 7	NE	
IN #1	IMC192088	50N 5E 23	SE	Independence
		50N 5E 24	SW	
		50N 5E 25	NW	
		50N 5E 26	NE	
IN #2	IMC192089	50N 5E 23	SE	Independence
		50N 5E 24	SW	
LB #1	IMC200026	50N 5E 9	NE, SE	Little Baldy
		50N 5E 10	NW	
LB #2	IMC200027	50N 5E 9	NE, SE	Little Baldy
LB #3	IMC200028	50N 5E 9	NE	Little Baldy
LB #4	IMC200029	50N 5E 9	NE, NW	Little Baldy
LB #5	IMC200030	50N 5E 9	NW	Little Baldy
LB #6	IMC200031	50N 5E 9	NW	Little Baldy

Claim Name	Serial Number	Township Range Section	Subdiv	Claim Group
LB #7	IMC200032	50N 5E 4	SW	Little Baldy
		50N 5E 9	NW	
LB #8	IMC200033	50N 5E 9	NE, NW	Little Baldy
LB #9	IMC200034	50N 5E 9	NE, NW	Little Baldy
LB #10	IMC200035	50N 5E 9	SE	Little Baldy
LB #11	IMC200036	50N 5E 9	NE, SE	Little Baldy
LB #12	IMC200037	50N 5E 9	NE, SE	Little Baldy
LB #13	IMC200038	50N 5E 9	NE, NW, SW, SE	Little Baldy
LB #14	IMC200039	50N 5E 9	NW, SW	Little Baldy
LB #15	IMC200040	50N 5E 9	NW, SW	Little Baldy
LB #16	IMC200041	50N 5E 8	NE	Little Baldy
		50N 5E 9	NW	
LB #17	IMC200042	50N 5E 9	SE	Little Baldy
LB #18	IMC200043	50N 5E 9	SE	Little Baldy
LB #19	IMC200044	50N 5E 9	SW, SE	Little Baldy
LB #20	IMC200045	50N 5E 9	SW	Little Baldy
LB #21	IMC200046	50N 5E 9	SW	Little Baldy
LB #22	IMC200047	50N 5E 9	NW, SW	Little Baldy
LB #23	IMC200048	50N 5E 8	NE, SE	Little Baldy
		50N 5E 9	NW, SW	
LB #24	IMC200049	50N 5E 9	SE	Little Baldy
		50N 5E 16	NE	
LB #25	IMC200050	50N 5E 9	SE	Little Baldy
		50N 5E 16	NE, NW	
LB #26	IMC200051	50N 5E 9	SW, SE	Little Baldy
		50N 5E 16	NW	
LB #27	IMC200052	50N 5E 9	SW	Little Baldy
		50N 5E 16	NW	
LB #28	IMC200053	50N 5E 9	SW	Little Baldy
		50N 5E 16	NW	
LB #29	IMC200054	50N 5E 9	SW	Little Baldy
		50N 5E 16	NW	
LB #30	IMC200055	50N 5E 8	SE	Little Baldy
		50N 5E 9	SW	
		50N 5E 16	NW	
		50N 5E 17	NE	
LB #31	IMC200056	50N 5E 8	SE	Little Baldy
LB #32	IMC200057	50N 5E 16	NE, NW, SW, SE	Little Baldy
LB #33	IMC200058	50N 5E 16	NE, NW	Little Baldy
LB #34	IMC200059	50N 5E 16	NW	Little Baldy

Claim Name	Serial Number	Township Range Section	Subdiv	Claim Group
LB #35	IMC200060	50N 5E 16	NW	Little Baldy
LB #36	IMC200061	50N 5E 16	NW	Little Baldy
LB #37	IMC200062	50N 5E 16	NW	Little Baldy
		50N 5E 17	NE	
LB #38	IMC200063	50N 5E 8	SE	Little Baldy
		50N 5E 16	NW	
		50N 5E 17	NE	
LB #39	IMC200064	50N 5E 8	SE	Little Baldy
MR #1	IMC191684	50N 5E 15	NW, SW	Mineral Ridge
		50N 5E 16	NE, SE	
MR #2	IMC191685	50N 5E 15	NW, SW	Mineral Ridge
		50N 5E 16	SE	
MR #3	IMC191686	50N 5E 15	NW, SW	Mineral Ridge
		50N 5E 16	NE	
MR #4	IMC191687	50N 5E 15	NW, SW	Mineral Ridge
MR #5	IMC191688	50N 5E 15	NW	Mineral Ridge
		50N 5E 16	NE	
MR #6	IMC191689	50N 5E 16	NE, SE	Mineral Ridge
MR #7	IMC191690	50N 5E 16	SE	Mineral Ridge
MR #8	IMC191691	50N 5E 16	SE	Mineral Ridge
		50N 5E 21	NE	
MR #9	IMC191692	50N 5E 15	SW	Mineral Ridge
		50N 5E 16	SE	
		50N 5E 21	NE	
MR #10	IMC194007	50N 5E 15	NW, SW	Mineral Ridge
MR #11	IMC194008	50N 5E 15	SW	Mineral Ridge
MR #12	IMC194009	50N 5E 9	SE	Mineral Ridge
		50N 5E 10	SW	
		50N 5E 15	NW	
		50N 5E 16	NE	
MR #15	IMC194012	50N 5E 15	SW	Mineral Ridge
		50N 5E 16	SE	
		50N 5E 21	NE	
		50N 5E 22	NW	
MR #19	IMC194016	50N 5E 9	SE	Mineral Ridge
		50N 5E 16	NE	
MR #21	IMC194018	50N 5E 16	NE	Mineral Ridge
MR #22	IMC194019	50N 5E 16	NE	Mineral Ridge
MR #25	IMC194022	50N 5E 16	NE, SW, SE	Mineral Ridge
MR #26	IMC194023	50N 5E 16	NE, SE	Mineral Ridge

Claim Name	Serial Number	Township Range Section	Subdiv	Claim Group
PS1	IMC196609	50N 5E 19	SW	Progress
PS3	IMC196611	50N 5E 19	SW	Progress
PS5	IMC196613	50N 5E 19	SW	Progress
PS7	IMC196615	50N 5E 19	SW	Progress
PS9	IMC196617	50N 5E 19	SW, SE	Progress
PS10	IMC196618	50N 5E 19	SW, SE	Progress
		50N 5E 30	NE, NW	
JB #22	IMC195807	50N 5E 19	NW	Progress
JB #23	IMC195808	50N 5E 19	NW, SW	Progress
JB #24	IMC195809	50N 5E 19	NW, SW	Progress
JB #25	IMC195810	50N 5E 19	NW, SW	Progress
JB #29	IMC197692	50N 5E 19	NW	Progress
		50N 4E 24	NE	
JB #30	IMC197693	50N 5E 19	NW, SW	Progress
		50N 4E 24	NE, SE	
ST #24	IMC198307	50N 5E 12	NE, SE	Silent Creek
ST #25	IMC198308	50N 5E 12	NE, SE	Silent Creek
SL #6	IMC190479	50N 5E 23	NW, SW	Snowslide
SL #8	IMC193952	50N 5E 23	NW	Snowslide
SL #9	IMC193953	50N 5E 23	NW	Snowslide
SL #12	IMC193956	50N 5E 23	NW, SW	Snowslide
TE 10	IMC195917	50N 5E 14	NW, SW	Telluride
		50N 5E 23	NW	



Exhibit B
Area of Interest Map
 Shoshone County, ID

Drawn By	A. Douglass
Drafted By	A. Douglass
Approved By	S. Patroni
Date	9 April 2018
Scale	NTS
File Name	2018 Area of Interest Map 04/09/18.dwg

Exhibit C

Form of Warranty Deed

RECORDING REQUESTED BY & RETURN TO:

Land Department
Hecla Silver Valley, Inc.
6500 North Mineral Drive, Suite 200
Coeur d'Alene, ID 83815-9408

WARRANTY DEED

THIS CONVEYANCE is made and effective this ____ day of May, 2018, by and between NEW JERSEY MINING COMPANY (“Grantor”), the address of which is 201 N. 3rd Street, Coeur d’Alene, Idaho 83814, and HECLA SILVER VALLEY, INC., a Delaware corporation, (“Grantee”), the address of which is 6500 North Mineral Drive, Suite 200, Coeur d’Alene, Idaho 83815-9408.

W I T N E S S E T H

THAT THE SAID GRANTOR, for and in consideration of the sum of ten dollars (\$10.00), lawful money of the United States of America, and other good and valuable consideration to it in hand paid by the said Grantee, the receipt whereof which is hereby acknowledged, has granted, bargained and sold and by these presents does grant, bargain, sell, convey and confirm unto the said Grantee, and Grantee’s successors and assigns forever, all of Grantor’s right, title and interest in the surface estate in and to certain patented mining claims, more particularly described in Exhibit A, attached hereto and by this reference incorporated herein.

TOGETHER WITH any and all ores, metals, oil, gas, minerals and all veins and lodes of mineral-bearing rock therein and all dips, spurs and angles thereof, and water and timber rights, if any, that are appurtenant to the Property.

TOGETHER WITH, all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all estate, right, title and interest in and to the Property, as well in law as in equity, of the said Grantor.

TO HAVE AND TO HOLD, all and singular the Property unto Grantee and its successors and assigns forever.

GRANTOR, its successors and assigns, shall and will warrant and by these presents forever defend the premises in the quiet and peaceable possession of the Grantee, its successors and assigns, and against all and every person and persons, lawfully claiming the same shall and will warrant and by these presents forever defend except claims arising from taxes and assessments for the year 2018 and thereafter.

EXHIBIT "A"
TO WARRANTY DEED
PROPERTY DESCRIPTION

Patented Mining Claims located in Section 9, Township 50 North, Range 5 East, B.M. Shoshone County, Idaho
(*surface rights only*):

CLAIM NAME	MINERAL SURVEY NUMBER
St. Paul	MS #634
Baker (75% only)	MS #635
Beehive Mountain Rose	MS #1262
Crown Point Emma	MS #1403
Belcher Best	MS #1650

Exhibit D

Form of Quitclaim Deed

RECORDING REQUESTED BY & RETURN TO:

Land Department
Hecla Silver Valley, Inc.
6500 North Mineral Drive, Suite 200
Coeur d'Alene, ID 83815-9408

QUITCLAIM DEED

THIS INDENTURE, is made and effective this day of May, 2018, by and between NEW JERSEY MINING COMPANY, an Idaho corporation, ("Grantor"), the address of which is 201 N. 3rd Street, Coeur d'Alene, Idaho 83814, and HECLA SILVER VALLEY, INC., a Delaware corporation, ("Grantee"), the address of which is 6500 North Mineral Drive, Suite 200, Coeur d'Alene, Idaho 83815-9408.

WITNESSETH:

That the Grantor, for and in consideration of the sum of TEN DOLLARS (\$10.00), lawful money of the United States of America and other good and valuable consideration to it in hand paid by the Grantee, the receipt whereof is hereby acknowledged, does by these presents remise, release and forever quitclaim unto the said Grantee, and its successors and assigns all of Grantor's right, title and interest, including after acquired title, in the surface and mineral rights in the unpatented mining claims more particularly described in Exhibit A, attached hereto and by this reference incorporated herein.

TOGETHER WITH all ores, metals, oil, gas, minerals and all veins and lodes of mineral-bearing rock therein and all dips, spurs and angles thereof.

TO HAVE AND TO HOLD, all of the right, title and interest of Grantor in and to the Property, together with the tenements, hereditaments and appurtenances thereto belonging to or appertaining to, and any reversions, remainders, rents, issues, or profits thereof unto Grantee and to its successors and assigns forever.

EXHIBIT "A"
TO QUITCLAIM DEED
PROPERTY DESCRIPTION

One Hundred Six (106) Unpatented Mining Claims located in Section 24, Township 50 North, Range 4 East, Sections 4-10, 14-17, and 21-26, Township 50 North, Range 5 East, and Sections 22 and 30, Township 50 North, Range 6 East, B.M. Shoshone County, Idaho:

Claim Name	Serial Number	Township Range Section	Subdiv	Claim Group
CA 5	IMC190484	50N 5E 22	NW, SW	CA Anomaly
CA 7	IMC190486	50N 5E 22	NW, SW	CA Anomaly
GB #1	IMC190049	50N 6E 30	NW, SW	Gold Butte
GB #2	IMC190050	50N 6E 30	NW, SW	Gold Butte
GB #3	IMC190051	50N 6E 30	SW	Gold Butte
GB #4	IMC190052	50N 6E 30	SW, SE	Gold Butte
GB #5	IMC190053	50N 6E 30	NW	Gold Butte
GB #6	IMC190054	50N 6E 30	NW	Gold Butte
GB #11	IMC192101	50N 6E 30	NW, SW	Gold Butte
GR #1	IMC191235	50N 5E 15	SE	Golden Reward
GR #2	IMC191236	50N 5E 15	SE	Golden Reward
GR #3	IMC191237	50N 5E 15	SW, SE	Golden Reward
GR #4	IMC192649	50N 5E 15	NE, SE	Golden Reward
GR #5	IMC192650	50N 5E 15	NE, SE	Golden Reward
GR #6	IMC192651	50N 5E 15	NE, SE	Golden Reward
GR #7	IMC192652	50N 5E 14	NW, SW	Golden Reward
		50N 5E 15	NE, SE	
GR #8	IMC192653	50N 5E 15	SE	Golden Reward
GR #9	IMC192654	50N 5E 15	SE	Golden Reward
		50N 5E 22	NE	
GR #10	IMC192655	50N 5E 15	SE	Golden Reward
		50N 5E 22	NE	
GR #11	IMC192656	50N 5E 15	SW, SE	Golden Reward
		50N 5E 22	NE, NW	
GR #12	IMC192657	50N 5E 15	SW, SE	Golden Reward
		50N 5E 22	NW	
GR #13	IMC193968	50N 5E 14	NW, SW	Golden Reward
		50N 5E 15	SE	
GR #14	IMC193969	50N 5E 14	SW	Golden Reward
		50N 5E 15	SE	

Claim Name	Serial Number	Township Range Section	Subdiv	Claim Group
		50N 5E 22	NE	
GR #15	IMC193970	50N 5E 15	SE	Golden Reward
		50N 5E 22	NE	
GR #32	IMC193987	50N 5E 14	SW	Golden Reward
		50N 5E 15	SE	
		50N 5E 22	NE	
		50N 5E 23	NW	
GR #33	IMC193988	50N 5E 22	NE	Golden Reward
		50N 5E 23	NW	
WHITE GOLD #1	IMC184441	50N 5E 6	SE	Lost Eagle
		50N 5E 7	NE	
WHITE GOLD #5	IMC186197	50N 5E 5	SW	Lost Eagle
		50N 5E 6	SE	
		50N 5E 7	NE	
IN #1	IMC192088	50N 5E 23	SE	Independence
		50N 5E 24	SW	
		50N 5E 25	NW	
		50N 5E 26	NE	
IN #2	IMC192089	50N 5E 23	SE	Independence
		50N 5E 24	SW	
LB #1	IMC200026	50N 5E 9	NE, SE	Little Baldy
		50N 5E 10	NW	
LB #2	IMC200027	50N 5E 9	NE, SE	Little Baldy
LB #3	IMC200028	50N 5E 9	NE	Little Baldy
LB #4	IMC200029	50N 5E 9	NE, NW	Little Baldy
LB #5	IMC200030	50N 5E 9	NW	Little Baldy
LB #6	IMC200031	50N 5E 9	NW	Little Baldy
LB #7	IMC200032	50N 5E 4	SW	Little Baldy
		50N 5E 9	NW	
LB #8	IMC200033	50N 5E 9	NE, NW	Little Baldy
LB #9	IMC200034	50N 5E 9	NE, NW	Little Baldy
LB #10	IMC200035	50N 5E 9	SE	Little Baldy
LB #11	IMC200036	50N 5E 9	NE, SE	Little Baldy
LB #12	IMC200037	50N 5E 9	NE, SE	Little Baldy
LB #13	IMC200038	50N 5E 9	NE, NW, SW, SE	Little Baldy
LB #14	IMC200039	50N 5E 9	NW, SW	Little Baldy
LB #15	IMC200040	50N 5E 9	NW, SW	Little Baldy
LB #16	IMC200041	50N 5E 8	NE	Little Baldy
		50N 5E 9	NW	
LB #17	IMC200042	50N 5E 9	SE	Little Baldy

Claim Name	Serial Number	Township Range Section	Subdiv	Claim Group
LB #18	IMC200043	50N 5E 9	SE	Little Baldy
LB #19	IMC200044	50N 5E 9	SW, SE	Little Baldy
LB #20	IMC200045	50N 5E 9	SW	Little Baldy
LB #21	IMC200046	50N 5E 9	SW	Little Baldy
LB #22	IMC200047	50N 5E 9	NW, SW	Little Baldy
LB #23	IMC200048	50N 5E 8	NE, SE	Little Baldy
		50N 5E 9	NW, SW	
LB #24	IMC200049	50N 5E 9	SE	Little Baldy
		50N 5E 16	NE	
LB #25	IMC200050	50N 5E 9	SE	Little Baldy
		50N 5E 16	NE, NW	
LB #26	IMC200051	50N 5E 9	SW, SE	Little Baldy
		50N 5E 16	NW	
LB #27	IMC200052	50N 5E 9	SW	Little Baldy
		50N 5E 16	NW	
LB #28	IMC200053	50N 5E 9	SW	Little Baldy
		50N 5E 16	NW	
LB #29	IMC200054	50N 5E 9	SW	Little Baldy
		50N 5E 16	NW	
LB #30	IMC200055	50N 5E 8	SE	Little Baldy
		50N 5E 9	SW	
		50N 5E 16	NW	
		50N 5E 17	NE	
LB #31	IMC200056	50N 5E 8	SE	Little Baldy
LB #32	IMC200057	50N 5E 16	NE, NW, SW, SE	Little Baldy
LB #33	IMC200058	50N 5E 16	NE, NW	Little Baldy
LB #34	IMC200059	50N 5E 16	NW	Little Baldy
LB #35	IMC200060	50N 5E 16	NW	Little Baldy
LB #36	IMC200061	50N 5E 16	NW	Little Baldy
LB #37	IMC200062	50N 5E 16	NW	Little Baldy
		50N 5E 17	NE	
LB #38	IMC200063	50N 5E 8	SE	Little Baldy
		50N 5E 16	NW	
		50N 5E 17	NE	
LB #39	IMC200064	50N 5E 8	SE	Little Baldy
MR #1	IMC191684	50N 5E 15	NW, SW	Mineral Ridge
		50N 5E 16	NE, SE	
MR #2	IMC191685	50N 5E 15	NW, SW	Mineral Ridge
		50N 5E 16	SE	
MR #3	IMC191686	50N 5E 15	NW, SW	Mineral Ridge

Claim Name	Serial Number	Township Range Section	Subdiv	Claim Group
		50N 5E 16	NE	
MR #4	IMC191687	50N 5E 15	NW, SW	Mineral Ridge
MR #5	IMC191688	50N 5E 15	NW	Mineral Ridge
		50N 5E 16	NE	
MR #6	IMC191689	50N 5E 16	NE, SE	Mineral Ridge
MR #7	IMC191690	50N 5E 16	SE	Mineral Ridge
MR #8	IMC191691	50N 5E 16	SE	Mineral Ridge
		50N 5E 21	NE	
MR #9	IMC191692	50N 5E 15	SW	Mineral Ridge
		50N 5E 16	SE	
		50N 5E 21	NE	
MR #10	IMC194007	50N 5E 15	NW, SW	Mineral Ridge
MR #11	IMC194008	50N 5E 15	SW	Mineral Ridge
MR #12	IMC194009	50N 5E 9	SE	Mineral Ridge
		50N 5E 10	SW	
		50N 5E 15	NW	
		50N 5E 16	NE	
MR #15	IMC194012	50N 5E 15	SW	Mineral Ridge
		50N 5E 16	SE	
		50N 5E 21	NE	
		50N 5E 22	NW	
MR #19	IMC194016	50N 5E 9	SE	Mineral Ridge
		50N 5E 16	NE	
MR #21	IMC194018	50N 5E 16	NE	Mineral Ridge
MR #22	IMC194019	50N 5E 16	NE	Mineral Ridge
MR #25	IMC194022	50N 5E 16	NE, SW, SE	Mineral Ridge
MR #26	IMC194023	50N 5E 16	NE, SE	Mineral Ridge
PS1	IMC196609	50N 5E 19	SW	Progress
PS3	IMC196611	50N 5E 19	SW	Progress
PS5	IMC196613	50N 5E 19	SW	Progress
PS7	IMC196615	50N 5E 19	SW	Progress
PS9	IMC196617	50N 5E 19	SW, SE	Progress
PS10	IMC196618	50N 5E 19	SW, SE	Progress
		50N 5E 30	NE, NW	
JB #22	IMC195807	50N 5E 19	NW	Progress
JB #23	IMC195808	50N 5E 19	NW, SW	Progress
JB #24	IMC195809	50N 5E 19	NW, SW	Progress
JB #25	IMC195810	50N 5E 19	NW, SW	Progress
JB #29	IMC197692	50N 5E 19	NW	Progress
		50N 4E 24	NE	

Claim Name	Serial Number	Township Range Section	Subdiv	Claim Group
JB #30	IMC197693	50N 5E 19	NW, SW	Progress
		50N 4E 24	NE, SE	
ST #24	IMC198307	50N 5E 12	NE, SE	Silent Creek
ST #25	IMC198308	50N 5E 12	NE, SE	Silent Creek
SL #6	IMC190479	50N 5E 23	NW, SW	Snowslide
SL #8	IMC193952	50N 5E 23	NW	Snowslide
SL #9	IMC193953	50N 5E 23	NW	Snowslide
SL #12	IMC193956	50N 5E 23	NW, SW	Snowslide
TE 10	IMC195917	50N 5E 14	NW, SW	Telluride
		50N 5E 23	NW	

Exhibit E

NSR ROYALTY AGREEMENT

ROYALTY DEED AND AGREEMENT

between

HECLA SILVER VALLEY, INC.

and

NEW JERSEY MINING COMPANY

Little Baldy Area Project

Shoshone County, Idaho

ROYALTY DEED AND AGREEMENT

THIS INDENTURE (this “Indenture”) is entered into and made effective this 18th day of May, 2018, (the “Effective Date”) by and between HECLA SILVER VALLEY, INC., a Delaware corporation, with its principal place of business at 6500 N. Mineral Drive, Suite 200, Coeur d’Alene, Idaho 83815-9408 (hereinafter referred to as “Grantor”) and NEW JERSEY MINING COMPANY, an Idaho corporation, with its principal place of business at 201 N. 3rd Street, Coeur d’Alene, Idaho 83814 (hereinafter referred to as “Grantee”).

RECITALS

WHEREAS, Grantor and Grantee are parties to that certain unrecorded Asset Purchase Agreement dated May 18, 2018, (the “Agreement”), pursuant to which Grantor acquired certain assets from Grantee, including the properties set forth on Exhibit A hereto (the “Purchased Properties”);

WHEREAS, Grantee and Grantor have elected to enter into this Indenture, pursuant to which Grantor will pay Grantee royalty payments with respect to certain materials produced on the Purchased Properties and certain other properties currently owned or hereinafter acquired by Grantor;

NOW, THEREFORE, in consideration of the premises, the mutual promises, obligations set forth herein, and other good and valuable consideration (the receipt and sufficiency of which Grantor and Grantee hereby acknowledge), the Parties hereby agree as follows:

SECTION 1 – DEFINITIONS

In this Indenture the following definitions shall apply:

- A. “Abandonment” has the meaning set forth in Section 10(E).
- B. “Abandoned Properties” has the meaning set forth in Section 10(E).
- C. “Affiliate” shall mean any person, partnership, joint venture, corporation or other entity or form of enterprise that directly or indirectly controls, is controlled by, or is under common control with, a Party. For purposes of the preceding sentence, “control” means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of a majority of voting securities, contract, ability to appoint a majority of a board of directors, voting trust or otherwise.
- D. “Area of Interest” means the area set forth on Exhibit B.

E. “Commercial Production” shall mean any period of time during which a mine on one or more of the Properties is producing or selling Extracted Materials to one or more third party purchasers on a commercial basis.

F. “Dollars” or “\$” shall mean United States Dollars.

G. “Effective Date” has the meaning set forth in the Preamble.

H. “Expenses” shall mean the following costs and expenses if actually incurred by Grantor:

(i) Government royalties, production taxes, and ad valorem taxes, but excluding without limitation any and all taxes based upon the net or gross income of Grantor or other operator of the Properties;

(ii) Royalties payable under any deeds, leases or agreements other than this Indenture pursuant to which any of the Properties are acquired subsequent to March 23, 2018;

(iii) Charges and costs, if any, for transportation (including loading, freight, insurance, security, transaction taxes, handling, port, demurrage, delay, and forwarding expenses incurred by reason of or in the course of such transportation) of Extracted Materials from Grantor’s mill or other final processing plant to places where such Extracted Materials are smelted, refined and/or sold or otherwise disposed of;

(iv) Charges, costs (including handling, processing, interest, provisional settlement fees, sampling, assaying and representation costs, and other processor deductions) and all penalties, if any, charged by a smelter or refiner of the Extracted Materials, including any such charges or costs associated with the SX-EW (Solvent Extraction and Electro-winning) process.

(v) Costs or charges of any nature for or in connection with insurance, storage, or representation at a smelter or refinery for Extracted Materials; and

(vi) Actual fees and brokerage costs paid to third parties, if any, for facilitating the sale of Extracted Materials.

In the event smelting or refining are carried out in facilities owned or controlled, in whole or in part, by Grantor, then charges, costs and penalties for such smelting or refining shall mean the amount Grantor would have incurred if such smelting or refining were carried out at facilities not owned or controlled by Grantor then offering comparable services for comparable products on prevailing terms, but in no event greater than actual costs incurred by Grantor with respect to such smelting and refining.

I. “Extracted Materials” means, collectively, all Minerals, Ores and Intermediate Products mined, extracted or recovered from the Properties.

J. “Governmental Authority” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

K. “Grantee” has the meaning set forth in the Preamble.

L. “Grantor” has the meaning set forth in the Preamble.

M. “Gross Proceeds” shall mean the actual amounts paid or payable to Grantor from the sale or other dispositions of Extracted Materials.

N. “Intermediate Product,” whether singular or plural, shall mean a concentrate, precipitate, doré or other product between the stage of ore and refined product metal produced by chemical or gravitational treatment of Ores and Minerals.

O. “Law” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, or rule of law of any Governmental Authority.

P. “Minerals,” whether singular or plural, shall mean any and all mineral substances of any nature, metallic or non-metallic, EXCEPT oil, gas, or other liquid or gaseous hydrocarbon substances; radioactive minerals; sand, gravel, aggregates, or building stone or any other material not subject to location under the General Mining Law of 1872, as amended.

Q. “Net Smelter Returns” or “NSR” shall mean the Gross Proceeds less Expenses.

R. “NSR Royalty” has the meaning set forth in Section 2(A).

S. “NSR Royalty Area” means the area set forth on Exhibit B.

T. “Ores,” whether singular or plural, shall mean all Minerals which in the sole discretion of Grantor justify either (i) mining, extracting, or recovering from the Properties and selling or delivering to a purchaser or a processing plant for physical or chemical treatment, or (ii) treating in place on the Properties by chemical, solution, or other methods; and shall also include all mineral-bearing solutions, natural or introduced, recovered by Grantor from the Properties and sold or processed by Grantor, and all mineral and non-mineral components of all such materials and solutions.

U. “Parties” shall mean Grantor and Grantee.

V. “Person” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association, or other entity.

W. “Proceeding” means any litigation, proceeding, claim, cause of action, action, lawsuit, audit, petition, complaint, charge, prosecution, demand, hearing, inquiry, investigation, validation, review (including any program integrity review), inspection, or other administrative or legal proceeding, mediation, or arbitration (including any appeal or application for review) of any kind or nature, in Law or in equity, before any Governmental Authority, arbitrator or mediator.

X. “Properties” means, collectively (i) the Purchased Properties and (ii) each property or claim located within the NSR Royalty Area that is acquired by Grantor on or after March 23, 2018.

Y. “Restricted Period” has the meaning set forth in Section 5.

Z. “Test Lot” or “Test Lots” shall have the meaning assigned to it in Section 4(D).

All other words shall have their common definition unless specifically defined elsewhere herein.

SECTION 2 - THE ROYALTY

A. Royalty. Grantor shall pay Grantee a production royalty consisting of two percent (2%) of the NSR on Extracted Materials sold to third parties (the “NSR Royalty”). Grantor shall be permitted to sell Extracted Materials to an Affiliate of Grantor, provided that such Extracted Materials are sold to such Affiliate at prices and on terms no less favorable than those that would be extended to an unaffiliated third party under similar circumstances. All NSR Royalty payments shall be made by Grantor to Grantee within thirty (30) days after the end of the calendar quarter in which proceeds from the sale of Extracted Materials are actually received by Grantor.

B. Repurchase of Portion of NSR Royalty. At any time following the Effective Date, Grantor shall have the right to purchase one half of the NSR Royalty (thus reducing the NSR Royalty from 2.0% to 1.0%) by paying to Grantee the sum of One Million Dollars (\$1,000,000).

C. Method of Payment. Any payments required to be made by Grantor to Grantee hereunder may be made in cash, check or wire transfer, in the sole discretion of Grantor, and may be personally delivered or deposited in the mail, postage pre-paid and registered or certified, with return receipt requested and addressed to Grantee at the address specified in Section 10(A), below. Such personal delivery or deposit in the mail shall be

deemed timely payment thereof. Upon making payment to Grantee, Grantor shall be relieved of any further responsibility for such payment to Grantee, and any of its successors or assigns. Grantee shall, within thirty (30) days after receipt of such payment, deliver to Grantor a receipt that is acceptable to the United States Tax Authorities.

D. Nature of Royalty/No Partnership. The NSR Royalty is a strictly passive and non-participating interest and shall not entitle Grantee to participate in any decisions whatsoever concerning the Properties or operations thereon. Nothing herein shall be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, or other partnership relationship between Parties.

SECTION 3 - BINDING EFFECT

All of the covenants, conditions, and terms of this Indenture shall bind and inure to the benefit of the Parties, and their respective successors and assigns.

SECTION 4 - ADMINISTRATION OF ROYALTY

A. Payments/Inspections. At such time as Grantor makes NSR Royalty payments, Grantor shall provide Grantee with a statement showing in reasonable detail the computation of such NSR Royalty payments. Each quarterly statement furnished to Grantee shall be deemed to be correct and binding on Grantee unless, within ninety (90) days of receipt thereof, Grantee notifies Grantor in writing that it disputes the correctness of such statement and specifies its objections in detail. Grantor shall maintain true and correct records of all Extracted Materials mined and sold from the Properties, and Grantor shall permit Grantee to inspect, at Grantee's sole cost and expense, the books and records of Grantor which are pertinent to the determination of the NSR Royalty, at any reasonable time during normal business hours, provided such inspection does not interfere unreasonably with Grantor's operations or procedures. Such inspection must be conducted by Grantee, an accounting firm of recognized standing, at least one of whose members is a member of the American Institute of Certified Public Accountants, or by others agreed to by the Parties. All NSR Royalty payments made during each calendar year shall be considered final and in full satisfaction of all obligations of Grantor with respect thereto, unless Grantee gives the Grantor written notice describing and setting forth a specific objection to the determination thereof within six (6) months following the end of the calendar year during which such NSR Royalty payments were paid.

B. Stockpiled and Commingled Ores and Minerals. Grantor shall have the right of mixing or commingling, at any location and either underground or at the surface, any Extracted Materials with any ores, metals, minerals, or mineral products mined from other lands, provided that, if Grantor does so commingle Extracted Materials produced from the Properties with ores, metals, minerals, or mineral products mined from other lands, Grantor shall determine in accordance with customary practices, the weight or volume of the Extracted Materials with ores, metals, minerals, or mineral products mined from other lands, and shall sample and analyze all ores, metals, minerals and mineral products before the same are so mixed or commingled. Such sampling and analysis shall

include metal content and recovery factors. Any such determination of weight or volume, sampling and analysis shall be made in accordance with sound and generally accepted sampling and analytic practices and procedures. The weight or volume and the analysis so derived shall be used as the basis of allocation of NSR Royalty payments to Grantee hereunder in the event of a sale by Grantor of materials so mixed or commingled.

C. Inspection. Grantee, at its sole risk and expense, shall have access to the Properties for inspection during normal business hours in such manner and upon such notice to Grantor as to not unreasonably hinder or interrupt the operations of Grantor.

D. Test Lots. Grantor shall have the right to mine, beneficiate or otherwise process amounts of Extracted Materials reasonably necessary for sampling, assaying, metallurgical testing and evaluating the production potential of the Properties (“Test Lot”) without initiating the obligation to make NSR Royalty payments thereon, provided that no Extracted Materials are recovered from such evaluations on Test Lot(s) and sold to a third party. Subject to Section 2(A), Grantor agrees to pay the NSR Royalty from Test Lot(s) if Extracted Materials are recovered therefrom and sold to a third party.

SECTION 5 - COVENANT NOT TO COMPETE

Grantee covenants and agrees that, for a period beginning on March 23, 2018 and continuing until the date that is five (5) years following the date on which Grantor’s obligations to pay NSR Royalties under this Indenture terminate (the “Restricted Period”), it will not, and it will cause its Affiliates not to, directly or indirectly through any Person, (A) compete with Grantor in any manner within the Area of Interest; (B) engage in any activity in the Area of Interest, whether directly, indirectly, by agreement or otherwise through a third party, which would be adverse to Grantor and the Properties; or (C) acquire any properties within the Area of Interest. Grantee agrees that the covenants and obligations contained in this Section 5 are a material inducement to Grantor entering into this Indenture. Grantee acknowledges and agrees that the limitations set forth in this Section 5 are reasonable and necessary for the protection of Grantor. If any covenant in this Section 5 is found to be unreasonable, arbitrary, against public policy, or otherwise not enforceable in accordance with its terms, then such covenant will be considered to be divisible with respect to scope, time, and geographic area, and such lesser scope, time, or geographic area, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, or not against public policy, will be effective, binding, and enforceable against the Grantee and its Affiliates. Grantee covenants that it will not challenge the reasonableness or enforceability of any of the covenants set forth in this Section 5. Grantee acknowledges and affirms that a breach of this Section 5 by Grantee cannot be adequately compensated in any Proceeding for damages at Law, and equitable relief would be necessary to protect Grantor from a violation hereof and from the harm that this Section 5 is intended to prevent. Accordingly, Grantee agrees that in the event of any actual or threatened breach of such provisions, Grantor will (in addition to any other remedies which they may have) be entitled to enforce its rights and Grantee’s obligations hereunder not only by a Proceeding or Proceedings for damages, but also by a Proceeding or Proceedings for specific performance, temporary or permanent injunctive relief or other

equitable relief in order to enforce or prevent any violations (whether anticipatory, continuing or future) of the provisions hereof (including the extension of the Restricted Period by a period equal to (x) the length of the violation hereof plus (y) the length of any Proceedings necessary to stop such violation) and recover attorneys' fees and costs for the same. In the event of a breach or violation by Grantee of any of the provisions hereof, the running of the Restricted Period (but not Grantee's obligations hereunder) will be tolled with respect to Grantee during the continuance of any actual breach or violation. Notwithstanding any other provision hereof, if Grantee (i) breaches the provisions of this Section 5 and (ii) fails to cure such breach within 30 days after receiving written notice of such breach from Grantor, Grantor may, in its sole discretion, terminate this Indenture.

SECTION 6 - CONFIDENTIALITY

Grantee agrees that it will not, without the prior written consent of Grantor, which shall not be unreasonably withheld, disclose in any public disclosure, or to any third party, this Indenture, the terms of this Indenture, nor the fact that the parties have entered into this Indenture or any information relating to the operations of Grantor acquired pursuant to this Indenture, except as required by applicable law, stock exchange or regulatory authority having jurisdiction over such matter. Grantee must provide Grantor with a written copy of any proposed announcement at least five (5) days in advance of the planned release of such announcement, and Grantor will have the right to modify such announcement at its discretion.

SECTION 7 - GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL

A. Governing Law. This Indenture and all matters arising out of or relating to this Indenture shall be governed by and construed in accordance with the internal laws of the State of Idaho without giving effect to any choice or conflict of law provision or rule (whether of the State of Idaho or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Idaho.

B. SUBMISSION TO JURISDICTION. ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS INDENTURE OR THE TRANSACTIONS CONTEMPLATED HEREBY MUST BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE STATE OF IDAHO IN EACH CASE LOCATED IN THE CITY OF COEUR D'ALENE AND COUNTY OF KOOTENAI, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM

IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

C. WAIVER OF TRIAL BY JURY. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS INDENTURE IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS INDENTURE OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (II) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (IV) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS INDENTURE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7(C).

SECTION 8 - SPECIFIC PERFORMANCE; NO PUNITIVE DAMAGES.

The Parties agree that irreparable damage would occur if any provision of this Indenture were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity. Remedies for breach of contract shall not be exclusive of remedies in tort. No Party shall seek or be entitled to any punitive, exemplary, speculative, or remote damages from any other Party, whether in contract or tort, in any claim, suit, or proceeding arising from or related to this Indenture or the transactions contemplated hereby.

SECTION 9 - NO IMPLIED COVENANTS

There are no implied covenants in this Indenture other than good faith and fair dealing. All decisions to explore for, develop, produce Extracted Materials or market such materials and products, shall be at the sole discretion of Grantor. If after commencing Commercial Production, Grantor determines in its sole discretion that it desires to temporarily or permanently decrease, shutdown or cease Commercial Production for any reason, it shall have the right to do so in its sole and absolute discretion.

SECTION 10 - MISCELLANEOUS PROVISIONS.

A. Notices. All notices and other communications to either Party shall be in writing and delivered to the Party's representative below, either: (i) personally; (ii) by commercial courier; (iii) by telephone facsimile; or (iv) by e-mail of a PDF document (with confirmation of transmission). Notices sent shall be deemed effective on the date

of delivery; provided that (x) if the date of the delivery is a Saturday, Sunday or holiday observed by the U.S. Postal Service Postal, or, (y) in the case of notices sent via telephone facsimile or e-mail, if the notice is sent after normal business hours of the recipient, the notice shall be effective the next business day after the date of actual delivery.

Grantee:

New Jersey Mining Company
201 N. 3rd Street
Coeur d'Alene, ID 83814
Telephone: 208.625.9001
Attention: President

Grantor:

Hecla Silver Valley, Inc.
6500 N. Mineral Drive, Suite 200
Coeur d'Alene, ID 83815-9408
Telephone: 208.769.4100
Facsimile: 208769.4612
Attention: Exploration Manager

B. Amendment. No change, modification or amendment of this Indenture shall be valid or binding upon the Parties unless the change, modification or amendment is in writing and properly executed by all Parties.

C. Assignment. This Indenture is binding upon and inures to the benefit of the heirs, successors, representatives, and assigns of each Party, but no rights, obligations, or liabilities of Grantee hereunder will be assignable without the prior written consent of Grantor, which consent shall not be unreasonably withheld. Grantor may assign this Indenture and its obligations hereunder, without Grantee's consent, to any person or entity (i) with which Grantor may merge or consolidate, or (ii) to which Grantor may sell or transfer the Properties.

D. Entire Indenture and Interpretations. This Indenture contains the entire understanding and agreement of the Parties with respect to its subject matter. There are no other conditions, agreements, representations, warranties or understandings, express or implied. The division of this Indenture into sections and the use of headings are solely for the convenience of reference and shall not be used in its interpretation.

E. Abandonment of Properties. Subject to the terms of this Section 10(E), Grantor, its successors or assigns, shall have the unfettered right at any time after the Effective Date, to relinquish or abandon all or any part of its interests in the Properties ("Abandonment"). Not less than thirty (30) days prior to any Abandonment, Grantor shall deliver to Grantee a notice in writing indicating the part or parts of the Properties to be relinquished or abandoned (the "Abandoned Properties"). If, within thirty (30) days of receipt of such notice, Grantee delivers to Grantor a written notice stating Grantee's intention to acquire all or part of the Abandoned Properties, Grantor will deliver to Grantee duly executed recordable transfers of Grantor's interest in the Abandoned Properties, free and clear of all liens, charges and encumbrances arising from the operations of Grantor. For the avoidance of doubt, the provisions of this Section 10(E) will not apply to any sale, transfer or other disposition by Grantor of all or any part of Grantor's interests in the Properties to a third party.

F. Short-Form Royalty Deed. At Grantor's request, Grantee and Grantor will execute and record a short-form Royalty Deed, in a mutually acceptable form, sufficient to constitute public notice of the rights and interests granted by this Indenture in the county or counties in which the Properties are located. This Indenture shall not be recorded.

IN WITNESS WHEREOF, the Grantor and Grantee have executed this Indenture effective on the day and year first above written.

Grantor:

HECLA SILVER VALLEY, INC.

By: _____

Dean W.A. McDonald
(Print Name)

Its: President

Grantee:

NEW JERSEY MINING COMPANY

By: _____

John Swallow
(Print Name)

Its: President/CEO

ACKNOWLEDGEMENT

STATE OF _____)
)ss.
COUNTY OF _____)

On this _____ day of _____, 2018, personally appeared before me, a Notary Public, _____, the _____, of Hecla Silver Valley, Inc., a Delaware corporation, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged he executed the above instrument and acknowledged said instrument to be his voluntary act and deed made on behalf of said corporation and for the uses and purposes therein mentioned.

Notary Public
Residing at _____
My Commission Expires: _____

ACKNOWLEDGEMENT

STATE OF _____)
)ss.
COUNTY OF _____)

On this _____ day of _____, 2018, personally appeared before me, a Notary Public, _____, the _____, of New Jersey Mining Company, an Idaho corporation, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged he executed the above instrument and acknowledged said instrument to be his voluntary act and deed made on behalf of said corporation and for the uses and purposes therein mentioned.

Notary Public
Residing at _____
My Commission Expires: _____

EXHIBIT "A"
PURCHASED PROPERTIES

Patented Mining Claims

Eight (8) Patented Mining Claims located in Section 9, Township 50 North, Range 5 East, B.M. Shoshone County, Idaho (surface rights only):

<u>CLAIM NAME</u>	<u>MINERAL SURVEY NUMBER</u>
St. Paul	MS #634
Baker (75% only)	MS #635
Beehive Mountain Rose	MS #1262
Crown Point Emma	MS #1403
Belcher Best	MS #1650

Unpatented Mining Claims

One Hundred Six (106) Unpatented Mining Claims located in Sections 4-10, 14-17, and 21-26, Township 50 North, Range 5 East, and Sections 22 and 30, Township 50 North, Range 6 East, B.M. Shoshone County, Idaho:

Claim Name	Serial Number	Township Range Section	Subdiv	Claim Group
CA 5	IMC190484	50N 5E 22	NW, SW	CA Anomaly
CA 7	IMC190486	50N 5E 22	NW, SW	CA Anomaly
GB #1	IMC190049	50N 6E 30	NW, SW	Gold Butte
GB #2	IMC190050	50N 6E 30	NW, SW	Gold Butte
GB #3	IMC190051	50N 6E 30	SW	Gold Butte
GB #4	IMC190052	50N 6E 30	SW, SE	Gold Butte
GB #5	IMC190053	50N 6E 30	NW	Gold Butte
GB #6	IMC190054	50N 6E 30	NW	Gold Butte
GB #11	IMC192101	50N 6E 30	NW, SW	Gold Butte
GR #1	IMC191235	50N 5E 15	SE	Golden Reward
GR #2	IMC191236	50N 5E 15	SE	Golden Reward
GR #3	IMC191237	50N 5E 15	SW, SE	Golden Reward
GR #4	IMC192649	50N 5E 15	NE, SE	Golden Reward
GR #5	IMC192650	50N 5E 15	NE, SE	Golden Reward
GR #6	IMC192651	50N 5E 15	NE, SE	Golden Reward
GR #7	IMC192652	50N 5E 14	NW, SW	Golden Reward
		50N 5E 15	NE, SE	
GR #8	IMC192653	50N 5E 15	SE	Golden Reward

GR #9	IMC192654	50N 5E 15	SE	Golden Reward
		50N 5E 22	NE	

Claim Name	Serial Number	Township Range Section	Subdiv	Claim Group
GR #10	IMC192655	50N 5E 15	SE	Golden Reward
		50N 5E 22	NE	
GR #11	IMC192656	50N 5E 15	SW, SE	Golden Reward
		50N 5E 22	NE, NW	
GR #12	IMC192657	50N 5E 15	SW, SE	Golden Reward
		50N 5E 22	NW	
GR #13	IMC193968	50N 5E 14	NW, SW	Golden Reward
		50N 5E 15	SE	
GR #14	IMC193969	50N 5E 14	SW	Golden Reward
		50N 5E 15	SE	
		50N 5E 22	NE	
GR #15	IMC193970	50N 5E 15	SE	Golden Reward
		50N 5E 22	NE	
GR #32	IMC193987	50N 5E 14	SW	Golden Reward
		50N 5E 15	SE	
		50N 5E 22	NE	
		50N 5E 23	NW	
GR #33	IMC193988	50N 5E 22	NE	Golden Reward
		50N 5E 23	NW	
WHITE GOLD #1	IMC184441	50N 5E 6	SE	Lost Eagle
		50N 5E 7	NE	
WHITE GOLD #5	IMC186197	50N 5E 5	SW	Lost Eagle
		50N 5E 6	SE	
		50N 5E 7	NE	
IN #1	IMC192088	50N 5E 23	SE	Independence
		50N 5E 24	SW	
		50N 5E 25	NW	
		50N 5E 26	NE	
IN #2	IMC192089	50N 5E 23	SE	Independence
		50N 5E 24	SW	
LB #1	IMC200026	50N 5E 9	NE, SE	Little Baldy
		50N 5E 10	NW	
LB #2	IMC200027	50N 5E 9	NE, SE	Little Baldy
LB #3	IMC200028	50N 5E 9	NE	Little Baldy
LB #4	IMC200029	50N 5E 9	NE, NW	Little Baldy
LB #5	IMC200030	50N 5E 9	NW	Little Baldy
LB #6	IMC200031	50N 5E 9	NW	Little Baldy
LB #7	IMC200032	50N 5E 4	SW	Little Baldy
		50N 5E 9	NW	
LB #8	IMC200033	50N 5E 9	NE, NW	Little Baldy

Claim Name	Serial Number	Township Range Section	Subdiv	Claim Group
LB #9	IMC200034	50N 5E 9	NE, NW	Little Baldy
LB #10	IMC200035	50N 5E 9	SE	Little Baldy
LB #11	IMC200036	50N 5E 9	NE, SE	Little Baldy
LB #12	IMC200037	50N 5E 9	NE, SE	Little Baldy
LB #13	IMC200038	50N 5E 9	NE, NW, SW, SE	Little Baldy
LB #14	IMC200039	50N 5E 9	NW, SW	Little Baldy
LB #15	IMC200040	50N 5E 9	NW, SW	Little Baldy
LB #16	IMC200041	50N 5E 8	NE	Little Baldy
		50N 5E 9	NW	
LB #17	IMC200042	50N 5E 9	SE	Little Baldy
LB #18	IMC200043	50N 5E 9	SE	Little Baldy
LB #19	IMC200044	50N 5E 9	SW, SE	Little Baldy
LB #20	IMC200045	50N 5E 9	SW	Little Baldy
LB #21	IMC200046	50N 5E 9	SW	Little Baldy
LB #22	IMC200047	50N 5E 9	NW, SW	Little Baldy
LB #23	IMC200048	50N 5E 8	NE, SE	Little Baldy
		50N 5E 9	NW, SW	
LB #24	IMC200049	50N 5E 9	SE	Little Baldy
		50N 5E 16	NE	
LB #25	IMC200050	50N 5E 9	SE	Little Baldy
		50N 5E 16	NE, NW	
LB #26	IMC200051	50N 5E 9	SW, SE	Little Baldy
		50N 5E 16	NW	
LB #27	IMC200052	50N 5E 9	SW	Little Baldy
		50N 5E 16	NW	
LB #28	IMC200053	50N 5E 9	SW	Little Baldy
		50N 5E 16	NW	
LB #29	IMC200054	50N 5E 9	SW	Little Baldy
		50N 5E 16	NW	
LB #30	IMC200055	50N 5E 8	SE	Little Baldy
		50N 5E 9	SW	
		50N 5E 16	NW	
		50N 5E 17	NE	
LB #31	IMC200056	50N 5E 8	SE	Little Baldy
LB #32	IMC200057	50N 5E 16	NE, NW, SW, SE	Little Baldy
LB #33	IMC200058	50N 5E 16	NE, NW	Little Baldy
LB #34	IMC200059	50N 5E 16	NW	Little Baldy
LB #35	IMC200060	50N 5E 16	NW	Little Baldy
LB #36	IMC200061	50N 5E 16	NW	Little Baldy
LB #37	IMC200062	50N 5E 16	NW	Little Baldy

Claim Name	Serial Number	Township Range Section	Subdiv	Claim Group
		50N 5E 17	NE	
LB #38	IMC200063	50N 5E 8	SE	Little Baldy
		50N 5E 16	NW	
		50N 5E 17	NE	
LB #39	IMC200064	50N 5E 8	SE	Little Baldy
MR #1	IMC191684	50N 5E 15	NW, SW	Mineral Ridge
		50N 5E 16	NE, SE	
MR #2	IMC191685	50N 5E 15	NW, SW	Mineral Ridge
		50N 5E 16	SE	
MR #3	IMC191686	50N 5E 15	NW, SW	Mineral Ridge
		50N 5E 16	NE	
MR #4	IMC191687	50N 5E 15	NW, SW	Mineral Ridge
MR #5	IMC191688	50N 5E 15	NW	Mineral Ridge
		50N 5E 16	NE	
MR #6	IMC191689	50N 5E 16	NE, SE	Mineral Ridge
MR #7	IMC191690	50N 5E 16	SE	Mineral Ridge
MR #8	IMC191691	50N 5E 16	SE	Mineral Ridge
		50N 5E 21	NE	
MR #9	IMC191692	50N 5E 15	SW	Mineral Ridge
		50N 5E 16	SE	
		50N 5E 21	NE	
MR #10	IMC194007	50N 5E 15	NW, SW	Mineral Ridge
MR #11	IMC194008	50N 5E 15	SW	Mineral Ridge
MR #12	IMC194009	50N 5E 9	SE	Mineral Ridge
		50N 5E 10	SW	
		50N 5E 15	NW	
		50N 5E 16	NE	
MR #15	IMC194012	50N 5E 15	SW	Mineral Ridge
		50N 5E 16	SE	
		50N 5E 21	NE	
		50N 5E 22	NW	
MR #19	IMC194016	50N 5E 9	SE	Mineral Ridge
		50N 5E 16	NE	
MR #21	IMC194018	50N 5E 16	NE	Mineral Ridge
MR #22	IMC194019	50N 5E 16	NE	Mineral Ridge

Claim Name	Serial Number	Township Range Section	Subdiv	Claim Group
MR #25	IMC194022	50N 5E 16	NE, SW, SE	Mineral Ridge
MR #26	IMC194023	50N 5E 16	NE, SE	Mineral Ridge
PS1	IMC196609	50N 5E 19	SW	Progress
PS3	IMC196611	50N 5E 19	SW	Progress
PS5	IMC196613	50N 5E 19	SW	Progress
PS7	IMC196615	50N 5E 19	SW	Progress
PS9	IMC196617	50N 5E 19	SW, SE	Progress
PS10	IMC196618	50N 5E 19	SW, SE	Progress
		50N 5E 30	NE, NW	
JB #22	IMC195807	50N 5E 19	NW	Progress
JB #23	IMC195808	50N 5E 19	NW, SW	Progress
JB #24	IMC195809	50N 5E 19	NW, SW	Progress
JB #25	IMC195810	50N 5E 19	NW, SW	Progress
JB #29	IMC197692	50N 5E 19	NW	Progress
		50N 4E 24	NE	
JB #30	IMC197693	50N 5E 19	NW, SW	Progress
		50N 4E 24	NE, SE	
ST #24	IMC198307	50N 5E 12	NE, SE	Silent Creek
ST #25	IMC198308	50N 5E 12	NE, SE	Silent Creek
SL #6	IMC190479	50N 5E 23	NW, SW	Snowslide
SL #8	IMC193952	50N 5E 23	NW	Snowslide
SL #9	IMC193953	50N 5E 23	NW	Snowslide
SL #12	IMC193956	50N 5E 23	NW, SW	Snowslide
TE 10	IMC195917	50N 5E 14	NW, SW	Telluride
		50N 5E 23	NW	

EXHIBIT "B"
NSR ROYALTY AREA AND AREA OF INTEREST

DISCLOSURE SCHEDULE

Section 3.03

REQUIRED CONSENTS

Section 1445 Certificate (attached)

Section 1445 Certificate

Section 1445 of the Internal Revenue Code provides that a transferee (buyer) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person. For U.S. tax purposes (including section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee (buyer) that withholding of tax is not required upon the disposition of a U.S. real property interest by New Jersey Mining Company, the undersigned hereby certifies the following on behalf of New Jersey Mining Company:

- I. New Jersey Mining Company is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. New Jersey Mining Company is not a disregarded entity as defined in § 1.1445-2(b)(2)(iii) of the Income Tax Regulations;
3. New Jersey Mining Company's U.S. employer identification number is 82-0490295; and
4. New Jersey Mining Company's office address is 201 N. 3rd St., Coeur d'Alene, ID 83814.

New Jersey Mining Company understands that this Certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this Certification and, to the best of my knowledge and belief, it is true, correct, and complete with respect to New Jersey Mining Company, and I further declare that I have authority to sign this document on behalf of New Jersey Mining Company.

Date: May 10, 2018

New Jersey Mining Company

By: _____

John Swallow, President and CEO

Exhibit 31.1

Certification

I, John Swallow, certify that:

- (1) I have reviewed this annual report on Form 10-K of New Jersey Mining Company.
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 1, 2019

By /s/ John Swallow
John Swallow
Chief Executive Officer

Exhibit 31.2

Certification

I, Grant Brackebusch, certify that:

- (1) I have reviewed this annual report on Form 10-K of New Jersey Mining Company.
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 1, 2019

By /s/ Grant Brackebusch
Grant Brackebusch
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of New Jersey Mining Company, (the "Company") on Form 10-K for the period ending December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Swallow, Chief Executive Officer of New Jersey Mining Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 1, 2019

By /s/ John Swallow
John Swallow
Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906 has been provided to New Jersey Mining Company and will be retained by New Jersey Mining Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished in accordance with Securities and Exchange Commission Release No. 34-47551 and shall not be considered filed as part of the Form 10-K.

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of New Jersey Mining Company, (the "Company") on Form 10-K for the period ending December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Grant Brackebusch, Chief Financial Officer of New Jersey Mining Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 1, 2019

By /s/ Grant Brackebusch
Grant Brackebusch
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906 has been provided to New Jersey Mining Company and will be retained by New Jersey Mining Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished in accordance with Securities and Exchange Commission Release No. 34-47551 and shall not be considered filed as part of the Form 10-K.