

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2022

OR

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

For the transition period from _____ to _____

Commission File No. 000-28837

IDAHO STRATEGIC RESOURCES, INC

(Name of small business issuer in its charter)

Idaho

(State or other jurisdiction
of incorporation or organization)

82-0490295

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

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

(Address of principal executive offices) (zip code)

(208) 625-9001

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(g) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$0.00 par value	IDR	NYSE American

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

Small Reporting Company

Emerging Growth Company

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

At May 1, 2022, 11,777,935 shares of the registrant's common stock were outstanding.

IDAHO STRATEGIC RESOURCES, INC
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD
ENDED MARCH 31, 2022

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PART I - FINANCIAL INFORMATION

ITEM 1: CONSOLIDATED Financial Statements

Idaho Strategic Resources, Inc
Consolidated Balance Sheets (Unaudited)

	March 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,409,188	\$ 1,976,518
Gold sales receivable	806,417	408,187
Inventories	606,073	213,722
Joint venture receivable	2,828	4,442
Other current assets	297,728	334,443
Total current assets	5,122,234	2,937,312
Property, plant and equipment, net of accumulated depreciation	8,243,066	8,255,961
Mineral properties, net of accumulated amortization	6,030,664	5,843,186
Investment in Buckskin	333,059	332,728
Investment in joint venture	435,000	435,000
Reclamation bond	103,320	103,320
Deposits	137,585	11,694
Total assets	\$ 20,404,928	\$ 17,919,201
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 710,534	\$ 647,218
Accrued payroll and related payroll expenses	221,719	174,110
Notes payable related parties, current portion	10,957	10,543
Notes payable, current portion	714,401	664,153
Small Business Administration loan and interest, current portion	2,408	2,469
Total current liabilities	1,660,019	1,498,493
Asset retirement obligation	174,864	172,348
Notes payable related parties, long term	95,451	106,068
Convertible debt	-	1,950,000
Notes payable, long term	961,307	961,748
Small Business Administration loan and interest, long term	168,394	166,742
Total long-term liabilities	1,400,016	3,356,906
Total liabilities	3,060,035	4,855,399
Commitments (Note 11)	-	-
Stockholders' equity:		
Preferred stock, no par value, 1,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock, no par value, 200,000,000 shares authorized; March 31, 2022-11,749,579 and December 31, 2021- 10,940,969 shares issued and outstanding	30,756,088	26,004,756
Accumulated deficit	(16,288,557)	(15,832,955)
Total Idaho Strategic Resources, Inc stockholders' equity	14,467,531	10,171,801
Non-controlling interest	2,877,362	2,892,001
Total stockholders' equity	17,344,893	13,063,802
Total liabilities and stockholders' equity	\$ 20,404,928	\$ 17,919,201

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

Idaho Strategic Resources, Inc.
Consolidated Statements of Operations (Unaudited)
For the Three-Month Periods Ended March 31, 2022 and 2021

	March 31	
	2022	2021
Revenue:		
Sales of products	\$ 2,044,417	\$ 1,586,627
Total revenue	<u>2,044,417</u>	<u>1,586,627</u>
Costs of Sales:		
Cost of sales and other direct production costs	1,508,066	1,475,235
Depreciation and amortization	230,208	182,795
Total costs of sales	<u>1,738,274</u>	<u>1,658,030</u>
Gross profit (loss)	306,143	(71,403)
Other operating expenses:		
Exploration	396,124	717,707
Management	54,890	201,059
Professional services	79,983	122,651
General and administrative	201,312	513,835
Total other operating expenses	<u>732,309</u>	<u>1,555,252</u>
Operating loss	<u>(426,166)</u>	<u>(1,626,655)</u>
Other (income) expense:		
Equity income on investment in Buckskin	(331)	-
Timber revenue net of costs	-	(3,603)
Interest income	(526)	(92)
Interest expense	47,760	39,444
Total other expense	<u>46,903</u>	<u>35,749</u>
Net loss	<u>(473,069)</u>	<u>(1,662,404)</u>
Net loss attributable to non-controlling interest	(17,467)	(15,917)
Net loss attributable to Idaho Strategic Resources, Inc	<u>\$ (455,602)</u>	<u>\$ (1,646,487)</u>
Net loss per common share-basic and diluted	<u>\$ (0.04)</u>	<u>\$ (0.17)</u>
Weighted average common shares outstanding-basic and diluted	<u>11,187,648</u>	<u>9,833,423</u>

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

Idaho Strategic Resources, Inc
Consolidated Statement of Changes in Stockholders' Equity (Unaudited)
For the Three-Month Periods Ended March 31, 2022 and 2021

	<u>Common Stock Shares</u>	<u>Common Stock Amount</u>	<u>Accumulated Deficit Attributable to Idaho Strategic Resources, Inc</u>	<u>Non-Controlling Interest</u>	<u>Stockholders' Equity</u>
Balance January 1, 2021	9,826,665	\$ 20,986,062	\$ (12,672,786)	\$ 2,950,888	\$ 11,264,164
Contribution from non-controlling interest in Mill JV	-	-	-	2,469	2,469
Issuance of common stock for services	714	2,300	-	-	2,300
Options issued to management, directors, and employees	-	604,571	-	-	604,571
Options issued for services	-	9,860	-	-	9,860
Issuance of common stock for cashless option exercise	28,196	-	-	-	-
Net loss	-	-	(1,646,487)	(15,917)	(1,662,404)
Balance March 31, 2021	<u>9,855,575</u>	<u>\$ 21,602,793</u>	<u>\$ (14,319,273)</u>	<u>\$ 2,937,440</u>	<u>\$ 10,220,960</u>
Balance January 1, 2022	10,940,969	\$ 26,004,756	\$ (15,832,955)	\$ 2,892,001	\$ 13,063,802
Contribution from non-controlling interest in Mill JV	-	-	-	2,828	2,828
Issuance of common stock for cash net of offering costs	360,134	2,701,000	-	-	2,701,000
Issuance of common stock for services	3,572	32,326	-	-	32,326
Issuance of common stock for warrants exercised	23,057	68,006	-	-	68,006
Issuance of common stock for cashless option exercise	28,981	-	-	-	-
Conversion of convertible debt to common stock	392,866	1,950,000	-	-	1,950,000
Net loss	-	-	(455,602)	(17,467)	(473,069)
Balance March 31, 2022	<u>11,749,579</u>	<u>\$ 30,756,088</u>	<u>\$ (16,288,557)</u>	<u>\$ 2,877,362</u>	<u>\$ 17,344,893</u>

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

Idaho Strategic Resources, Inc
Consolidated Statements of Cash Flows (Unaudited)
For the Three-Month Periods Ended March 31, 2022 and 2021

	March 31,	
	2022	2021
Cash flows from operating activities:		
Net loss	\$ (473,069)	\$ (1,662,404)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	230,208	182,795
Accretion of asset retirement obligation	2,516	2,498
Stock based compensation	-	614,431
Issuance of common stock for services	32,326	2,300
Equity income on investment in Buckskin	(331)	-
Change in operating assets and liabilities:		
Gold sales receivable	(398,230)	155,622
Inventories	(392,351)	96,961
Joint venture receivable	1,614	1,708
Other current assets	36,715	26,353
Accounts payable and accrued expenses	64,907	(142,954)
Accrued payroll and related payroll expenses	47,609	3,523
Net cash used by operating activities	<u>(848,086)</u>	<u>(719,167)</u>
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(66,818)	(57,111)
Deposits on equipment	(29,891)	7,953
Additions to mineral property	(192,112)	(140,716)
Net cash used by investing activities	<u>(288,821)</u>	<u>(189,874)</u>
Cash flows from financing activities:		
Proceeds from sale of common stock net of issuance cost	2,701,000	-
Proceeds from exercise of common stock warrants	68,006	-
Principal payments on notes payable	(192,054)	(111,934)
Principal payments on notes payable, related parties	(10,203)	(9,063)
Issuance of convertible debt	-	1,600,000
Contributions from non-controlling interest	2,828	2,469
Net cash provided by financing activities	<u>2,569,577</u>	<u>1,481,472</u>
Net change in cash and cash equivalents	1,432,670	572,431
Cash and cash equivalents, beginning of period	1,976,518	2,539,945
Cash and cash equivalents, end of period	<u>\$ 3,409,188</u>	<u>\$ 3,112,376</u>
Non-cash investing and financing activities:		
Notes payable for equipment purchase	\$ 241,861	\$ 761,073
Deposit on equipment paid by lender	\$ 96,000	\$ -
Conversion of convertible debt to common stock	\$ 1,950,000	\$ -

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

Idaho Strategic Resources, Inc
Notes to Consolidated Financial Statements (Unaudited)

1. The Company and Significant Accounting Policies

These unaudited interim consolidated financial statements have been prepared by the management of Idaho Strategic Resources, Inc (IDR) (the “Company”) in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete consolidated financial statements. In the opinion of the Company’s management, all adjustments (consisting of only normal recurring accruals) considered necessary for a fair statement of the interim consolidated financial statements have been included.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company’s financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions, which could have a material effect on the reported amounts of the Company’s financial position and results of operations. Operating results for the three-month period ended March 31, 2022, is not necessarily indicative of the results that may be expected for the full year ending December 31, 2022.

On December 6, 2021, New Jersey Mining Company changed its name to Idaho Strategic Resources Inc. and also finalized a 1 for 14 reverse stock split of its common stock as previously approved by shareholders at a Special Meeting of the Shareholders held on October 6, 2021. On the date of the reverse stock split, every fourteen (14) shares of New Jersey Mining Company were automatically converted into one issued and outstanding share of Idaho Strategic Resources, Inc. common stock without any change in the par value per share.

For further information refer to the financial statements and footnotes thereto in the Company’s audited consolidated financial statements for the year ended December 31, 2021, as filed with the Securities and Exchange Commission.

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 entities owned by other investors is presented as non-controlling interests on the consolidated balance sheets and statements of operations.

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 doré 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.

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 4 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 of the timber have both been completed. Sales of timber found on the Company’s mineral properties are not a part of normal operations.

Inventories

Inventories are stated at the lower of full cost of production or estimated net realizable value based on current metal prices. Costs consist of mining, transportation, 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.

Idaho Strategic Resources, Inc
Notes to Consolidated Financial Statements (Unaudited)

1. The Company and Significant Accounting Policies (continued)

Mine Exploration and Development Costs

The Company expenses exploration costs as such in the period they occur. The mine development stage begins once the Company identifies ore reserves which is based on a determination whether an ore body can be economically developed. Expenditures incurred during the development stage are capitalized as deferred development costs and include such costs for drift, ramps, and infrastructure. Costs to improve, alter, or rehabilitate primary development assets which appreciably extend the life, increase capacity, or improve the efficiency or safety of such assets are also capitalized. The development stage ends when the production stage of ore reserves (as defined by the SEC) begins. 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.

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 that are included in earnings are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date. At March 31, 2022, and December 31, 2021, the Company had no assets or liabilities that required measurement at fair value on a recurring basis.

Accounting for Investments in Joint Ventures and Equity Method Investments

Investment 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. 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.

Equity Method Investments

Investments in companies and joint ventures in which we have the ability to exercise significant influence, but do not control, are accounted for under the equity method of accounting. In determining whether significant influence exists, the Company considers its participation in policy-making decisions and representation on governing bodies. Under the equity method of accounting, our share of the net earnings or losses of the investee are included in net income (loss) in the consolidated statements of operations. We evaluate equity method investments whenever events or changes in circumstance indicate the carrying amounts of such investments may be impaired. If a decline in the value of an equity method investment is determined to be other than temporary, a loss is recorded in earnings in the current period. At March 31, 2022, and December 31, 2021, the Company's 37% common stock holding of Buckskin Gold and Silver, Inc. is accounted for using the equity method (Note 10).

At March 31, 2022 and December 31, 2021, the Company's percentage ownership and method of accounting for each joint venture and equity method investment is as follows:

Joint Venture	March 31, 2022			December 31, 2021		
	% 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
Buckskin Gold and Silver	37%	Yes	Equity	37%	Yes	Equity

Idaho Strategic Resources, Inc
Notes to Consolidated Financial Statements (Unaudited)

1. The Company and Significant Accounting Policies (continued)

Reclassifications

Certain prior period amounts have been reclassified to conform to the 2022 financial statement presentation. Reclassifications had no effect on net income (loss), stockholders' equity, or cash flows as previously reported.

New Accounting Pronouncement

Accounting Standards Updates Adopted—In August 2020, the FASB issued ASU No. 2020-06 Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. The update is to address issues identified as a result of the complexity associated with applying generally accepted accounting principles for certain financial instruments with characteristics of liabilities and equity. The update is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years and with early adoption permitted. The adoption of this update on January 1, 2022, did not have a material impact on our consolidated financial statements.

2. Going Concern

The Company is currently producing from both the open-pit and underground at the Golden Chest Mine. In the past, the Company has been successful in raising required capital from sale of common stock, forward gold contracts, and debt. As a result of its planned production, equity sales and potential debt borrowings or restructurings, management believes cash flows from operations and existing cash are sufficient to conduct planned operations and meet contractual obligations for the next 12 months.

3. Inventories

At March 31, 2022 and December 31, 2021, the Company's inventories consisted of the following:

	March 31, 2022	December 31, 2021
Concentrate inventory		
In process	\$ 26,437	\$ 41,082
Finished goods	341,626	97,074
Total concentrate inventory	368,063	138,156
Supplies inventory		
Mine parts and supplies	184,919	54,998
Mill parts and supplies	53,091	20,568
Total supplies inventory	238,010	75,566
Total	<u>\$ 606,073</u>	<u>\$ 213,722</u>

The carrying value of inventory is determined each period based on the lower of cost or net realizable value. At March 31, 2022 and December 31, 2021 gold concentrate is carried at cost.

4. Sales of Products

Our products consist of both gold flotation concentrates which we sell to a single broker (H&H Metal), and an unrefined gold-silver product known as doré which we sell to a precious metal refinery. At March 31, 2022, metals that had been sold but not final settled thus exposed to future price changes totaled 1,205 ounces of gold. The Company has received provisional payments on the sale of these ounces with the remaining amount due reflected in gold sales receivable. Sales of products by metal type for the three-month periods ended March 31, 2022, and 2021 were as follows:

	March 31,	
	2022	2021
Gold	\$ 2,183,024	\$ 1,716,616
Silver	3,440	5,080
Less: Smelter and refining charges	(142,047)	(135,069)
Total	<u>\$ 2,044,417</u>	<u>\$ 1,586,627</u>

Sales by significant product type for the three-month periods ended March 31, 2022, and 2021 were as follows:

	March 31,	
	2022	2021
Concentrate sales to H&H Metal	\$ 2,044,417	\$ 1,510,119
Dore sales to refinery	-	76,508
Total	<u>\$ 2,044,417</u>	<u>\$ 1,586,627</u>

At March 31, 2022 and December 31, 2021, our gold sales receivable balance related to contracts with customers of \$806,417 and \$408,187, respectively, consist only of amounts due from H&H Metal. There is no allowance for doubtful accounts.

Idaho Strategic Resources, Inc
Notes to Consolidated Financial Statements (Unaudited)

5. Related Party Transactions

At March 31, 2022 and December 31, 2021, the Company had the following note payable to related parties:

	March 31, 2022	December 31, 2021
Ophir Holdings LLC, a company owned by two officers of the Company, 3.99% interest, monthly payments of \$1,250 with a balloon payment of \$85,016 in February 2024	\$ 106,408	\$ 116,611
Total	106,408	116,611
Current portion	(10,957)	(10,543)
Long term portion	\$ 95,451	\$ 106,068

As of March 31, 2022 and December 31, 2021, there was no accrued interest payable to related parties. Related party interest expense for the three-months ended March 31, 2022 and 2021 is \$1,129 and \$3,181, respectively.

The Company leases office space from certain related parties on a month-to-month basis. \$1,500 per month is paid to NP Depot, a company owned by the Company's president, John Swallow. Payments under these short-term lease arrangements are included in general and administrative expenses on the Consolidated Statement of Operations and are as follows:

	March 31,	
	2022	2021
	\$ 6,217	\$ 6,210

6. Joint Ventures

New Jersey Mill Joint Venture Agreement

The Company owns 65% of the New Jersey Mill Joint Venture (JV) and has significant influence in its operations. Thus, the venture is included in the consolidated financial statements along with presentation of the non-controlling interest. At March 31, 2022 and December 31, 2021, an account receivable existed with Crescent Silver, LLC, the other joint venture participant ("Crescent"), for \$2,828 and \$4,442, respectively, for shared operating costs as defined in the JV agreement.

Butte Highlands JV, LLC ("BHJV")

On January 29, 2016, the Company purchased a 50% interest in Butte Highlands JV, LLC ("BHJV") from Timberline Resources Corporation for \$225,000 in cash and 3,000,000 restricted shares of the Company's common stock valued at \$210,000 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 accounts for its investment on a cost basis.

7. Earnings per Share

For the three-month periods ended March 31, 2022, and 2021, potentially dilutive shares including outstanding stock options (Note 14), warrants (Note 13), and convertible debt (Note 15) were excluded from the computation of diluted loss per share because they were anti-dilutive due to net losses in those periods. For the three-month periods ended March 31, 2022, and 2021, potentially dilutive common stock equivalents excluded from the calculation of diluted earnings per share as their effect would have been anti-dilutive are as follows:

	March 31, 2022	March 31, 2021
Stock options	\$ 455,386	\$ 401,786
Stock purchase warrants	646,410	426,788
Convertible debt	-	693,595
Total	\$ 1,101,796	\$ 1,522,169

Idaho Strategic Resources, Inc
Notes to Consolidated Financial Statements (Unaudited)

8. Property, Plant, and Equipment

Property, plant and equipment at March 31, 2022 and December 31, 2021 consisted of the following:

	March 31, 2022	December 31, 2021
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	(1,128,397)	(1,085,730)
Total mill	3,826,025	3,868,692
Building and equipment		
Buildings	337,859	324,075
Equipment	5,241,810	5,042,915
	5,579,669	5,366,990
Less accumulated depreciation	(2,030,098)	(1,847,191)
Total building and equipment	3,549,571	3,519,799
Land		
Bear Creek	266,934	266,934
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	867,470
Total	\$ 8,243,066	\$ 8,255,961

9. Mineral Properties

Mineral properties at March 31, 2022 and December 31, 2021 consisted of the following:

	March 31, 2022	December 31, 2021
Golden Chest		
Mineral Property	\$ 1,590,672	\$ 1,577,669
Infrastructure	1,235,146	1,056,037
Total Golden Chest	2,825,818	2,633,706
New Jersey	248,289	248,289
McKinley-Monarch	200,000	200,000
Butte Potosi	274,440	274,440
Alder Gulch	2,473,066	2,473,066
Park Copper	78,000	78,000
Less accumulated amortization	(68,949)	(64,315)
Total	\$ 6,030,664	\$ 5,843,186

For the three-month periods ended March 31, 2022, and 2021 \$13,003 and \$10,186, respectively of interest expense was capitalized in association with the ramp access project at the Golden Chest.

10. Investment in Buckskin

In August 2021, the Company exchanged 45,940 shares of the Company's common stock for 22% of Buckskin Gold and Silver Inc. The Company's closing share price on the date of the agreement (August 18, 2021) was recorded as the cost basis for the property. In October 2021 the Company exchanged an additional 30,358 shares of the Company's common stock for an additional 15% of Buckskin. The Company's closing share price on the date of the exchange (October 15, 2021) was recorded as the cost basis for the investment addition. This investment in Buckskin is being accounted for using the equity method and resulted in recognition of equity income on the investment of \$331 during the first quarter of 2022. The Company makes an annual payment of \$12,000 to Buckskin per a lease covering 218 acres of patented mining claims. As of March 31, 2022, the Company holds 37% of Buckskin's outstanding shares.

Idaho Strategic Resources, Inc
Notes to Consolidated Financial Statements (Unaudited)

11. Notes Payable

At March 31, 2022 and December 31, 2021, notes payable are as follows:

	March 31, 2022	December 31, 2021
Resimin Muki Bolter, 36-month note payable, 7.00% interest payable monthly through January 2025, monthly payments of \$2,176	\$ 66,942	\$ -
Paus 2 yrd. LHD, 48-month note payable, 4.78% interest rate payable through September 2024, monthly payments of \$5,181	150,790	164,422
Paus 2 yrd. LHD, 60-month note payable, 3.45% interest rate payable through July 2024, monthly payments of \$4,847	130,232	143,547
Compressor, 48-month note payable, 5.25% interest rate payable monthly through January 2022, monthly payments of \$813	-	410
CarryAll transport, 36-month note payable, 4.5% interest rate payable monthly through June 2024, monthly payments of \$627	16,066	17,752
CarryAll transport, 36-month note payable, 4.5% interest rate payable monthly through February 2024, monthly payments of \$303	6,673	7,501
Atlas Copco loader, 60-month note payable, 10.5% interest rate payable monthly through June 2023, monthly payments of \$3,550	49,687	58,866
Sandvik LH203 LHD, 36-month note payable, 4.5% interest payable monthly through May 2027, monthly payments of \$10,352	255,989	283,955
Doosan Compressor, 36-month note payable, 6.99% interest payable monthly through July 2024, monthly payments of \$602	15,544	17,064
Caterpillar 306 excavator, 48-month note payable, 4.6% interest payable monthly through November 2024, monthly payments of \$1,512	45,438	49,421
Caterpillar 938 loader, 60-month note payable, 6.8% interest rate payable monthly through August 2023, monthly payments of \$3,751	60,626	70,734
Caterpillar R1600 LHD, 48-month note payable, 4.5% interest rate payable through January 2025, monthly payments of \$17,125	545,646	590,535
Caterpillar AD22 underground truck, 48-month note payable, 6.45% interest rate payable through June 2023, monthly payments of \$12,979	186,215	221,694
2022 Dodge Ram, 75-month note payable, 5.99% interest rate payable monthly through June 2028, monthly payments of \$1,152	71,759	-
2016 Dodge Ram, 75-month note payable, 5.99% interest rate payable monthly through June 2028, monthly payments of \$1,190	74,101	-
Total notes payable	1,675,708	1,625,901
Due within one year	714,401	664,153
Due after one year	\$ 961,307	\$ 961,748

All notes are collateralized by the property or equipment purchased in connection with each note. Future principal payments of notes payable at March 31, 2022 are as follows:

12 months ended March 31,	
2023	\$ 714,401
2024	575,588
2025	302,911
2026	23,788
2027	25,254
2028	26,809
2029	6,957
Total	\$ 1,675,708

12. Small Business Administration Loans and Grant

In the second quarter of 2020 the Company received loans of \$159,900 pursuant to the Small Business Act Section 7(b). The loan which was in the form of a Note dated May 16, 2020, matures May 16, 2050, and bears interest at a rate of 3.75% per annum. Payments of \$731 are due monthly and will begin in April 2022. At March 31, 2022, and December 31, 2021 accrued interest on the loan was \$10,902 and \$9,311, respectively and is included in the Small Business Administration Loan balance on the consolidated balance sheet.

Idaho Strategic Resources, Inc
Notes to Consolidated Financial Statements (Unaudited)

13. Stockholders' Equity

Stock issuance activity

The Company closed a private placement in February 2022. Under the private placement, the Company sold 360,134 units at \$7.50 per unit for net proceeds of \$2,701,000. Each unit consisted of one share of the Company's common stock. In the first quarter of 2022 the Company issued 3,572 shares of common stock at \$9.05 per share for services provided for a total value of \$32,326.

Stock Purchase Warrants Outstanding

In the first quarter of 2022, 23,057 shares were issued in exchange for outstanding warrants for net proceeds of \$68,006.

The activity in stock purchase warrants is as follows:	Number of Warrants	Exercise Prices
Balance December 31, 2020	426,788	\$2.52-5.60
Issued	289,294	\$5.60-7.00
Exercised	(46,615)	\$2.52
Balance December 31, 2021	669,467	\$2.52-7.00
Exercised	(23,057)	\$2.52-5.60
Balance March 31, 2022	<u>646,410</u>	\$2.52-7.00

These warrants expire as follows:	Shares	Exercise Price	Expiration Date
	13,228	\$ 2.52	April 21, 2022
	343,888	\$ 5.60	August 28, 2022
	235,722	\$ 5.60	October 14, 2023
	53,572	\$ 7.00	November 12, 2023
	<u>646,410</u>		

14. Stock Options

In February 2021, the board granted 283,936 stock options to officers, board members, and employees. These options vested immediately and are exercisable at \$5.60 for 3 years. Total stock-based compensation recognized on these options was \$604,571. In March 2021, the Company granted 3,572 stock options to an individual for services rendered to the Company. These options vested immediately and are exercisable at \$5.60 for 3 years. Total stock-based compensation recognized on these options was \$9,860. No options were granted in the first quarter of 2022. The 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:

	February 11, 2021	March 15, 2021
Fair value	\$ 604,572	\$ 9,860
Options issued	283,936	3,572
Exercise price	\$ 5.60	\$ 5.60
Expected term (in years)	3.0	3.0
Risk-free rate	0.19%	0.33%
Volatility	97.9%	99.3%

In the first quarter of 2022, 51,789 options were exercised in exchange for 28,981 shares at an average price of \$9.72 per share in a cashless warrant exercise. Activity in the Company's stock options is as follows:

	Number of Options	Exercise Prices
Balance December 31, 2020	150,000	\$ 1.40-1.96
Granted	469,674	\$ 5.60
Exercised	(101,786)	\$ 1.40-1.96
Forfeited	(10,713)	\$ 1.96-5.60
Balance December 31, 2021	507,175	\$ 1.96-5.60
Exercised	(51,789)	\$ 1.96-5.60
Balance March 31, 2022	455,386	\$ 1.96-5.60
Outstanding and exercisable at March 31, 2022	<u>455,386</u>	\$ 1.96-5.60

At March 31, 2022, outstanding stock options have a weighted average remaining term of approximately 2.02 years and an intrinsic value of approximately \$2,317,000. Intrinsic value of the options exercised for the three-month period ended March 31, 2022, was \$134,360.

15. Convertible Debt

The balance of convertible debt at December 31, 2021 consisted of \$200,000 convertible to Common shares at a price of \$5.60 per share (35,715 shares) and \$1,750,000 convertible to Common shares at a price of \$4.90 per share (357,151 shares). All of this debt was converted to Common shares as provided in the respective agreements in March 2022.

ITEM 2: Management's Discussion AND Analysis of Financial Condition and Results of Operations

Plan of Operation

Idaho Strategic Resources, Inc 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, increase its gold production and asset base over time while being mindful of corporate overhead. The Company's management is focused on utilizing its in-house skills to build a portfolio of producing mines and milling operations with a primary focus on gold and exploration for Rare Earth elements (REE).

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, Idaho Strategic Resources, Inc. has additional gold exploration prospects, including the McKinley-Monarch and Eastern Star located in Central Idaho, and additional holdings near the Golden Chest in the Murray Gold Belt. Recently, the Company added two rare earth element properties in Idaho to its portfolio of exploration properties in an effort to diversify its holdings towards the anticipated demand for these elements in the electrification of motorized vehicles.

COVID-19 Coronavirus Pandemic Response and Impact

Following the outbreak of the COVID-19 coronavirus global pandemic ("COVID-19") in early 2020, in March 2020 the U.S. Centers for Disease Control issued guidelines to mitigate the spread and health consequences of COVID-19. The Company implemented changes to its operations and business practices to follow the guidelines and minimize physical interaction, including using technology to allow employees to work from home when possible and altering production procedures and schedules, asset maintenance, and limiting discretionary spending. As long as they are required, the operational practices implemented could have an adverse impact on our operating results due to deferred production and revenues or additional costs. The negative impact of COVID-19 remains uncertain, including on overall business and market conditions. There is uncertainty related to the potential additional impacts COVID-19 could have on our operations and financial results for the year.

Critical Accounting Estimates

We have, besides our estimates of the amount of depreciation on our assets, two critical accounting estimates. The ounces of gold contained in our process and concentrate inventory is based on assays taken at the time the ore is processed and the ounces of gold contained in shipped concentrate which is based upon assays taken prior to shipment however subject to final assays at the refinery, these shipments are also subject to the fluctuation in gold prices between our shipment date and estimated and actual final settlement date. Also, the reclamation bond obligation on our balance sheet is based on an estimate of the future cost to recover and remediate our properties as required by our permits upon cessation of our operations, and may differ when we cease operations.

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. The embedded derivative contained in our concentrate sales is adjusted to fair value through earnings each period prior to final settlement. 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 March 31, 2022, metals that had been sold but not final settled thus exposed to future price changes totaled 1,205 ounces of gold. The Company has received provisional payments on the sale of these ounces with the remaining amount due reflected in gold sales receivable.

The asset retirement obligation and asset on our balance sheet is based on an estimate of the future cost to recover and remediate our properties as required by our permits upon cessation of our operations, and may differ when we cease operations. At March 31, 2022 we reviewed our December 31, 2021 estimate that the cost of the machine and man hours probable to be needed to put our properties in the condition required by our permits once we cease operations would be \$103,906 for the Golden Chest property and \$96,600 for the New Jersey Mine and Mill. For purposes of the estimate, we evaluated the expected life in years and costs that, initially, are comparable to rates that we would incur at the present. We are adding to the liability each year, and amortizing the asset over the estimated life, which decreases our net income in total each year. We make periodic reviews of the remaining life of the mine and other operations, and the estimated remediation costs upon closure, and adjust our account balances accordingly. At this time, we think that an adjustment in our asset recovery obligation is not required, and an adjustment in future periods would not have a material impact in the year of adjustment, but would change the amount of the annual accretion and amortization costs charged to our expenses by an undetermined amount.

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The SEC has requested that all registrants address their most critical accounting policies. The SEC has indicated that a “critical accounting policy” is one which is both important to the representation of the registrant’s financial condition and results and requires management’s most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. We base our estimates on past experience and on various other assumptions our management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results will differ, and may differ materially from these estimates under different assumptions or conditions. Additionally, changes in accounting estimates could occur in the future from period to period. Our management has discussed the development and selection of our most critical financial estimates with the Audit and Finance Committee of our Board of Directors. The following paragraphs identify our most critical accounting policies:

Determination of Fair Values

Management determines the fair value of a financial instrument based on the amount that could be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities includes consideration of non-performance risk, including the party’s own credit risk.

Impairment of Mineral Rights and Properties, Plant and Equipment

The Company assesses its mineral rights and properties, plant and equipment for possible impairment whenever events or changes in circumstances indicate the carrying value of the assets may not be recoverable. Such indicators include changes in the Company’s business plans, changes in precious metal prices and significant downward revisions of estimated mineralization quantities. If the carrying value of an asset exceeds the future undiscounted cash flows expected from the asset, an impairment charge is recorded for the excess of carrying value of the asset over its estimated fair value.

Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of inflation and technology improvements on operating expenses, and the outlook for global or regional demand conditions for gold and silver. However, the impairment reviews and calculations are based on assumptions that are consistent with the Company’s business plans and long-term investment decisions. Management does not believe there are impairments present in mineral rights and properties, plant, and equipment.

Reclamation and Remediation Obligations

Reclamation costs are allocated to expense over the life of the related assets and are periodically adjusted to reflect changes in the estimated present value resulting from the passage of time and revisions to the estimates of either the timing or amount of the reclamation and remediation costs. Reclamation obligations are based on when the spending for an existing environmental disturbance will occur. We review, on at least an annual basis, the reclamation obligation at each mine site in accordance with guidance for accounting for asset retirement obligations.

Reclamation obligations for inactive mines are accrued based on management’s best estimate of the costs expected to be incurred at a site. Such cost estimates include, where applicable, ongoing care, maintenance and monitoring costs. Changes in estimates at inactive mines are reflected in earnings in the period an estimate is revised.

Accounting for reclamation and remediation obligations requires management to make estimates unique to each mining operation of the future costs we will incur to complete the reclamation and remediation work required to comply with existing laws and regulations. Actual costs incurred in future periods could differ from amounts estimated. Additionally, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required. Any such increases in future costs could materially impact the amounts charged to earnings for reclamation and remediation.

Income Taxes

Our income tax expense and deferred tax assets and liabilities reflect management’s best assessment of estimated future taxes to be paid. Deferred income taxes arise from temporary differences between the tax and financial statement recognition of revenue and expense. In evaluating our ability to recover our deferred tax assets, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. In projecting future taxable income, we develop assumptions including the amount of future state and federal pretax operating income, the reversal of temporary differences, and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates that we are using to manage the underlying businesses. Valuation allowances are recorded as reserves against net deferred tax assets by the Company when it is determined that net deferred tax assets are not likely to be realized in the foreseeable future.

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations. Income tax positions must meet a more-likely-than-not recognition threshold to be recognized.

Highlights during the first quarter of 2022 include:

- IDR up-listed its common stock onto the NYSE American and ‘rang’ the Opening Bell for the New York Stock Exchange (NYSE) on Monday, March 21st, 2022. IDR became the first company to ring the Opening Bell of the New York Stock Exchange virtually, via video stream, from underground at the Golden Chest Mine.
- At the Golden Chest, ore mined from underground stopes totaled approximately 4,900 tonnes from the 815 and 830 stopes. Development waste tonnage totaled 3,200 tonnes as the Main Access Ramp (MAR) was extended at depth. Additionally, 2,800 cubic meters of backfill was placed during the quarter which was a record thanks to our hard-working miners.
- Open pit mining progressed from the 1005 bench to the 1002 bench as production averaged 1,140 tonnes per day.
- For the quarter ended March 31, 2022, a total of 11,014 dry metric tonnes (dmt) were processed at the Company’s New Jersey mill with a flotation feed head grade of 3.55 gpt with gold recovery of 89.5%
- The Company drilled 1,437 meters during the quarter and released core drilling results from the Klondike area of the Golden Chest mine which is on the northern end of the property. The intercepts are summarized below:

GC 21-210

- 0.74 gpt gold over 51.6 meters (m) from 185.1 to 236.7 m including the following higher-grade intervals:
 - o 2.11 gpt gold over 6.1 m from 196.2 to 202.3 m
- 14 gpt gold over 0.7 m from 249.3 to 250.0 m
- 31.7 gpt gold over 0.8 m from 272.2 to 273.0 m

GC 22-212

- 8.77 gpt gold over 9.2 m from 137.6 m to 146.8 m including the following higher-grade interval:
 - o 37.35 gpt gold over 1.3 m from 143.3 to 144.6 m
- 3.14 gpt gold over 1.3 m from 149.6 to 150.9 m
- 13.87 gpt gold over 0.7 m from 157.6 to 158.3 m
- 3.17 gpt gold over 1 m from 192.2 to 193.2 m
- 7.00 gpt gold over 1.4 m from 218.3 to 219.7 m
- Regarding the Company’s Rare Earth Element projects, the Company announced its partnership and participation in the Idaho Global Entrepreneurial Mission (IGEM) Project focused on the “Development of Idaho-Sourced Rare Earth Elements Drilling and Extraction”. In addition to IDR, the complete list of participants includes the University of Idaho (UI), Idaho Geological Survey (IGS), Idaho National Labs (INL), Center for Advanced Energy Studies (CAES), and the Idaho Department of Commerce.
- The overall goal of the IGEM Project is to advance Idaho-sourced rare earth elements (REEs), with a possible result being the demonstration of the potential for environmentally minded Idaho-based commercialization of REEs and REE end products. Idaho Strategic was chosen as the industry partner for the project due to its ownership of two nationally recognized REE project(s) in Idaho (Roberts and Diamond Creek). The Company plans to conduct roughly \$1 million worth of rare earth element drilling on its Diamond Creek property near Salmon, Idaho, and will supply REE core samples to its program partners for study and analysis.

Results of Operations

Our financial performance during the quarter is summarized below:

- The Company had a gross profit of \$306,143 compared to a gross loss of \$71,403 for the three-month periods ended March 31, 2022, and 2021 respectively. Gross profit increased primarily because of improved gold prices.
- Cash costs per ounce decreased for the three-month period ended March 31, 2022, to \$978.70 per ounce compared to \$1,476.24 per ounce in 2021 because of increased production and improved inventory valuation. AISC per ounce decreased to \$1,557.32 per ounce for the three-month period ended March 31, 2022, compared to \$2,097.34 for the comparable period in 2021 as a result of utilizing the Company’s in house core drilling versus using in-house drilling in addition to using a contract driller for drilling in the Paymaster/Joe Dandy.
- Revenue was \$2,044,417 for the three-month period ended March 31, 2022, compared to \$1,586,627 for the comparable period of 2021. The increase was mostly the result of higher realized gold prices and increased gold inventories.

- An operating loss of \$426,166 for the three-month period ended March 31, 2022, compared to an operating loss of \$1,626,655 in the comparable period of 2021. The change was mostly a result of contract core drilling in the Paymaster/Joe Dandy and expense for stock options granted in the first quarter of 2021.
- Net loss of \$473,069 for the three-period ended March 31, 2022, compared to net loss of \$1,662,404 for the three-month period ended March 31, 2021. The reasons for these changes are the same as those for the operating loss described above.
- Exploration costs decreased in 2022 compared to 2021 because of the elimination of contract core drilling in the Paymaster/Joe Dandy and an increase in core drilling completed by the Company's in-house drill.
- Management, professional services, and general and administrative expenses decreased in the three-month period ended March 31, 2022, compared to 2021 as a result of options being granted to management, directors, and employees for a total cost of \$604,571.
- Timber revenue decreased in 2022. No logging on the Company's property occurred in 2022.
- The consolidated net loss for the three-months ended March 31, 2022, and 2021 included non-cash charges as follows: depreciation and amortization of \$230,208 (\$182,795 in 2021), accretion of asset retirement obligation of \$2,516 (\$2,498 in 2021), stock-based compensation of none in 2022 (\$614,431 in 2021), the issuance of common stock for services \$32,326 (\$2,300 in 2021), and equity income on investment in Buckskin \$331 in 2022 (None in 2021).

Cash Costs and All-In Sustaining Costs Reconciliation to GAAP-Reconciliation of cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) to cash cost per ounce and all-in sustaining costs (AISC) per ounce (non-GAAP).

The table below presents reconciliations between the most comparable GAAP measure of cost of sales and other direct production costs and depreciation, depletion, and amortization to the non-GAAP measures of cash cost per ounce and all in sustaining costs per ounce for the Company's gold production in the three-month periods ended March 31, 2022, and 2021.

Cash cost per ounce is an important operating measure that we utilize to measure operating performance. AISC per ounce is an important measure that we utilize to assess net cash flow after costs for pre-development, exploration, reclamation, and sustaining capital. Current GAAP measures used in the mining industry, such as cost of goods sold do not capture all of the expenditures incurred to discover, develop, and sustain gold production.

	March 31	
	2022	2021
Cost of sales and other direct production costs and depreciation and amortization	\$ 1,738,274	\$ 1,658,030
Depreciation and amortization	(230,208)	(182,795)
Change in concentrate inventory	(392,351)	96,960
Cash Cost	\$ 1,115,715	\$ 1,572,196
Exploration	396,124	717,707
Sustaining capital	96,709	49,158
General and administrative	201,312	513,835
Less stock-based compensation and other non-cash items	(34,511)	(619,231)
All in sustaining costs	<u>\$ 1,775,349</u>	<u>\$ 2,233,665</u>
Divided by ounces produced	1,140	1,065
Cash cost per ounce	<u>\$ 978.70</u>	<u>\$ 1,476.24</u>
All in sustaining cost (AISC) per ounce	<u>\$ 1,557.32</u>	<u>\$ 2,097.34</u>

Financial Condition and Liquidity

	For the Three Months Ended	
	March 31,	
	2022	2021
Net cash provided (used) by:		
Operating activities	\$ (848,086)	\$ (719,167)
Investing activities	(288,821)	(189,874)
Financing activities	2,569,577	1,481,472
Net change in cash and cash equivalents	1,432,670	572,431
Cash and cash equivalents, beginning of period	1,976,518	2,539,945
Cash and cash equivalents, end of period	<u>\$ 3,409,188</u>	<u>\$ 3,112,376</u>

The Company is currently producing from both the open-pit and underground at the Golden Chest Mine. In the past, the Company has been successful in raising required capital from sale of common stock, forward gold contracts, and debt. As a result of its planned production, equity sales and potential debt borrowings or restructurings, management believes cash flows from operations and existing cash are sufficient to conduct planned operations and meet contractual obligations for the next 12 months.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required for small reporting companies.

ITEM 4: CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

At March 31, 2022, our Vice President who also serves as our Chief Accounting Officer evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(e) of the Securities Exchange Act of 1934 (the “Exchange Act”), which disclosure controls and procedures are designed to insure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized, and reported within required time periods specified by the Securities & Exchange Commission rules and forms.

Based upon that evaluation, it was concluded that our disclosure controls were effective as of March 31, 2022, to ensure timely reporting with the Securities and Exchange Commission. Specifically, the Company’s corporate governance and disclosure controls and procedures provided reasonable assurance that required reports were timely and accurately reported in our periodic reports filed with the Securities and Exchange Commission.

Changes in internal control over financial reporting

There was no material change in internal control over financial reporting in the quarter ended March 31, 2022.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Neither the constituent instruments defining the rights of the Company's securities filers nor the rights evidenced by the Company's outstanding common stock have been modified, limited or qualified.

In the first quarter of 2021 the Company issued 714 shares of common stock at \$3.22 per share for services provided for a total value of \$2,300. Also, in the first quarter of 2021 44,643 options were exercised in exchange for 28,196 shares at \$5.32 per share in a cashless warrant exercise.

The Company closed a private placement in February 2022. Under the private placement, the Company sold 360,134 units at \$7.50 per unit for net proceeds of \$2,701,000. Each unit consisted of one share of the Company's common stock. In the first quarter of 2022 the Company issued 3,572 shares of common stock at \$9.05 per share for services provided for a total value of \$32,326. In the first quarter of 2022 23,057 shares were issued in exchange for outstanding warrants for net proceeds of \$68,006. In the first quarter of 2022 51,789 options were exercised in exchange for 28,981 shares at an average price of \$9.72 per share in a cashless warrant exercise. In March of 2022 392,866 shares of the Company's stock were issued to holders of convertible debt. 35,715 of those shares were issued at rate of \$5.60 per share and the remaining 357,151 of those shares were issued at a rate of \$4.90 per share in exchange for a total of \$1,950,000 in debt.

The Company relied on the transaction exemption afforded by Section 4(a)(2) of the Securities Act of 1933, as amended, and Regulation D Rule 506(b). The common shares are restricted securities which may not be publicly sold unless registered for resale with the Securities and Exchange Commission or exempt from the registration requirements of the Securities Act of 1933, as amended.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

The Company has no outstanding senior securities.

ITEM 4. MINE SAFETY DISCLOSURES

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in exhibit 95 to this report.

ITEM 5. OTHER INFORMATION

In January 2022, the Board adopted its (a) Code of Business Conduct and Ethics; (b) Charter of the Audit Committee; (c) Charter of the Compensation Committee; (d) Charter of the Corporate Governance and Nominating Committee; and (e) Whistle Blower Policy. Copies of each are attached hereto as Exhibits 14, 99.1, 99.2, 99.3, and 99.4, respectively.

ITEM 6. EXHIBITS

Exhibits

3.1	Amended and Restated Articles of Incorporation, incorporated by reference to the Company’s Form 8-K as filed with the Securities and Exchange Commission on October 27, 2021
3.2	Amended and Restated By-laws of Idaho Strategic Resources, Inc., incorporated by reference to the Company’s Form 8-K as filed with the Securities and Exchange Commission on October 27, 2021
10.1*	Venture Agreement with United Mine Services, Inc. dated January 7, 2011.
10.2***	Consent, Waiver and Assumption of Venture Agreement by Crescent dated February 14, 2014
10.3	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.
10.4	Registrant’s Grant of Options to Employees and Directors of the Company dated October 20, 2021, incorporated by reference to the Company’s Form 8-K as filed with the Securities and Exchange Commission on October 22, 2021.
10.5	Form of Convertible Note Purchase Agreement dated as of February 18, 2020, incorporated by reference to the Company’s 8-K as filed with the Securities and Exchange Commission on February 20, 2020.
10.6	Form of Convertible Promissory Note dated as of February 18, 2020, incorporated by reference to the Company’s 8-K as filed with the Securities and Exchange Commission on February 20, 2020.
10.7	Form of Convertible Note Purchase Agreement dated as of April 14, 2021, incorporated by reference to the Company’s 8-K as filed with the Securities and Exchange Commission on April 19, 2021.
10.8	Form of Convertible Promissory Note dated as of April 14, 2021, incorporated by reference to the Company’s 8-K as filed with the Securities and Exchange Commission on April 19, 2021.
14****	Code of Business Conduct and Ethics.
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.
95****	Mine safety information listed in Section 1503 of the Dodd-Frank Act. ****
99.1****	Charter of the Audit Committee
99.2****	Charter of the Compensation Committee
99.3****	Charter of the Corporate Governance and Nominating Committee
99.4****	Whistle Blower Policy
101.INS****	XBRL Instance Document
101.SCH****	XBRL Taxonomy Extension Schema Document
101.CAL****	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF****	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB****	XBRL Taxonomy Extension Label Linkbase Document
101.PRE****	XBRL Taxonomy Extension Presentation Linkbase Document

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

** Filed July 2, 2014

*** Filed March 31, 2015.

**** Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IDAHO STRATEGIC RESOURCES, INC

By: /s/ John Swallow
John Swallow,
its: President and Chief Executive Officer
Date May 16, 2022

By: /s/ Grant Brackebusch
Grant Brackebusch,
its: Vice President and Chief Financial Officer
Date: May 16, 2022

IDAHO STRATEGIC RESOURCES, INC.

(the "Company")

CODE OF BUSINESS CONDUCT AND ETHICS

I. PURPOSE

This Code of Business Conduct and Ethics ("Code") of the Company is intended to document the principles of conduct and ethics to be followed by all of the Company's employees, officers and directors and any consultants or other external parties in a similar role with the Company. References herein to the Company include any subsidiaries of the Company.

The purpose of the Code is to:

- Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Promote avoidance of conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- Promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the securities regulators and in other public communications made by the Company;
- Promote compliance with applicable governmental laws, rules and regulations;
- Promote the prompt internal reporting to an appropriate person of violations of this Code;
- Promote accountability for adherence to this Code;
- Provide guidance to employees, officers and directors to help them recognize and deal with ethical issues;
- Foster the development of a culture of honesty and accountability within the Company; and
- Describe the procedure for reporting and if appropriate investigation of any perceived violations of this Code or any perceived unethical business conduct

Violations of this Code are grounds for disciplinary action up to and including, but without limitation, immediate termination of employment or request for resignation of a directorship.

II. WORKPLACE

a. A Nondiscriminatory Environment

The Company fosters a work environment in which all individuals are treated with respect and dignity. The Company is an equal opportunity employer and does not, as an organization nor does it permit its employees or directors to discriminate against employees, officers, directors or potential employees, officers or directors on the basis of race, color, religion, sex, national origin, age, sexual orientation or disability or any other category protected by federal and state/provincial laws and regulations and, in addition, in accordance with the laws or regulations applicable in the jurisdiction where such employees, officers or directors are located. The Company is committed to actions and policies to assure fair employment, including equal treatment in hiring, promotion, training, compensation, termination and corrective action and will not tolerate discrimination by its employees and agents.

b. Harassment-Free Workplace

The Company will not tolerate harassment of its employees, customers or suppliers in any form.

c. Substance Abuse

The Company is committed to maintaining a safe and healthy work environment free of substance abuse. Employees, officers, and directors are expected to perform their responsibilities in a professional manner and, to the degree that job performance or judgment may be hindered, be free from the effects of drugs and/or alcohol.

g. Corporate Opportunities

As an employee, officer, or director, you are prohibited from taking for yourself opportunities that you discover through the use of company property, information or position, from using company property, information or position for personal gain; and from competing with the Company. Employees, officers, and directors owe a duty to the Company to advance its legitimate interests when the opportunity arises.

III. Environment, Health and Safety

a. Environment

The Company is committed to sound environmental management. It is the intent of the Company to conduct itself having due respect for the environment and community at large as a responsible and caring corporate citizen. The Company is committed to managing all phases of its business in a manner that minimizes any adverse effects of its operations on the environment.

b. Health and Safety

The Company is committed to providing a healthy and safe workplace in compliance with applicable laws, rules, and regulations. Employees must be aware of the safety issues and policies that affect their job, other employees, and the community in general. Employees in a supervisory role, upon learning of any circumstance affecting the health and safety of the workplace or the community, must act immediately to address the situation. Employees must immediately advise their immediate supervisor of any workplace injury or any circumstance presenting a dangerous situation to them, other co-workers, or the community in general, so that timely corrective action can be taken.

IV. THIRD PARTY RELATIONSHIPS

a. Conflict of Interest

Employees, officers, and directors are required to act with honesty and integrity and to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interests and the interests of the Company. Employees must disclose promptly in writing possible conflicts of interest to their immediate supervisor, or if the supervisor is involved in the conflict of interest, to that supervisor's superior. Officers and directors should disclose, in writing, any perceived conflicts to the Chairman of the Audit Committee.

Conflicts of interest arise where an individual's position or responsibilities with the Company present an opportunity for personal gain apart from the normal rewards of employment, officership or directorship, to the detriment of the Company. They also arise where a director's, officer's or employee's personal interests are inconsistent with those of the Company and create conflicting loyalties. Such conflicting loyalties can cause a director, officer or employee to give preference to personal interests in situations where corporate responsibilities should come first. Directors, officers, and employees shall perform the responsibilities of their positions on the basis of what is in the best interests of the Company and free from the influence of personal considerations and relationships.

Directors, officers, and employees shall not acquire any property, security, or any business interest which they know that the Company is interested in acquiring. Moreover, based on such advance information, directors, officers, and employees shall not acquire any property, security or business interest for speculation or investment.

b. Competitive Practices

The Company firmly believes that fair competition is fundamental to the continuation of the free enterprise system. The Company complies with and supports laws which prohibit restraints of trade, unfair practices, or abuse of economic power.

The Company's policy also prohibits employees, officers, and directors from entering into or discussing any unlawful arrangement or understanding that may result in unfair business practices or anticompetitive behavior.

c. Supplier and Contractor Relationships

The Company selects its suppliers and contractors in a non-discriminatory manner based on the quality, price, service, delivery and supply of goods and services. A director's, officer's or employee's decision must never be based on personal interests or the interests of family members or friends.

Employees should inform their supervisors, and officers and directors should inform the Chairman of the Audit Committee of any relationships that appear to create a conflict of interest.

e. Public Relations

The Company's Board of Directors establishes the persons who are responsible for all public relations, including all contact with the media. Unless a director, officer or employee is specifically authorized to represent the Company to the media, a director, officer, or employee should not respond to inquiries or requests for information. This includes newspapers, magazines, trade publications, radio, and television as well as any other external sources requesting information about the Company. If the media contacts a director, officer, or employee about any topic, that person should immediately refer the call to an authorized person.

Employees must be careful not to disclose confidential, personal or non public business information through public or casual discussions to the media or others. Information is considered to be public if it has been disclosed by the Company in an annual report, annual information form, management information circular, press release or interim financial report. The obligation to keep certain information confidential applies both during appointment or employment with the Company, and after termination of appointment or employment, including on retirement. These same standards apply to the non public information of other companies that you may learn about because of your association or employment with the Company.

f. Directorships

Employees of the Company shall not act as directors or officers of any other corporate entity or organization, public or private, without the prior written approval of the Chief Executive Officer or the Chairman of the Corporate Governance and Nominating Committee. Directorships or officerships with such entities will not be authorized if they are considered to not be in the best interest of the Company. The Chief Executive Officer or the Chairman of the Corporate Governance and Nominating Committee may provide authorizations for directorships that are necessary for business purposes or for directorships with charitable organizations or other entities that will further the Company's profile in the community.

V. LEGAL COMPLIANCE

a. Compliance with Laws, Rules and Regulations (Including Insider Trading Laws and Timely Disclosure)

Employees, officers and directors are expected to comply in good faith at all times with all applicable laws, rules and regulations.

Employees, officers and directors are required to comply with insider trading rules and all other policies and procedures applicable to them that are adopted by the Company from time to time.

Employees, officers and directors must cooperate fully with those responsible for preparing reports filed with the securities regulatory authorities and all other materials that are made available to the investing public to ensure those persons are aware in a timely manner of all information that is required to be disclosed. Employees, officers, and directors should also cooperate fully with the independent auditors in their audits and in assisting in the preparation of financial disclosure.

Senior officers of the Company must comply with the Company's procedures on timely disclosure of material information and provide full, fair, accurate, understandable, and timely disclosure in reports and documents filed with, or submitted to, securities regulatory authorities and other materials that are made available to the investing public.

VI. INFORMATION AND RECORDS

a. Confidential and Proprietary Information and Trade Secrets

Employees, officers and directors may be exposed to certain information that is considered confidential by the Company, or may be involved in the design or development of new procedures or technologies related to the business of the Company. All such information, procedures, and technologies, whether or not the subject of copyright or patent, are the sole property of the Company. Employees shall not disclose confidential information to persons outside the Company, including family members, and should share it only with other employees who have a "need to know".

Employees, officers, and directors are responsible and accountable for safeguarding the Company's documents and information to which they have direct or indirect access as a result of their employment, officership or directorship with the Company.

b. Financial Reporting and Records

The Company maintains a high standard of accuracy and completeness in its financial records. These records serve as a basis for managing its business and are crucial for meeting obligations to employees, customers, investors, and others, as well as for compliance with regulatory, tax, financial reporting, and other legal requirements. Employees, officers, and directors who make entries into business records or who issue regulatory or financial reports, have a responsibility to fairly present all information in a truthful, accurate and timely manner. No employee, officer or director shall exert any influence over, coerce, mislead or in any way manipulate or attempt to manipulate the independent auditors of the Company.

c. Record Retention

The Company maintains all records in accordance with laws and regulations regarding retention of business records. The term "**business records**" covers a broad range of files, reports, business plans, receipts, policies, and communications, including hard copy, electronic, audio recording, microfiche and microfilm files whether maintained at work or at home. The Company prohibits the unauthorized destruction of or tampering with any records, whether written or in electronic form, where the Company is required by law or government regulation to maintain such records or where it has reason to know of a threatened or pending government investigation or litigation relating to such records.

VII. THE COMPANY'S ASSETS

a. Use of Company Property

The use of Company property for individual profit or any unlawful unauthorized personal or unethical purpose is prohibited. The Company's information, technology, intellectual property, mineral rights, buildings, land, equipment, machines, software, and cash must be used only for business purposes except as provided by Company policy or approved by an employee's respective supervisor.

b. Destruction of Property and Theft

Employees, officers, and directors shall not intentionally damage or destroy the property of the Company and others or commit theft.

c. Intellectual Property of Others

Employees, officers, and directors may not reproduce, distribute, or alter copyrighted materials without permission of the copyright owner or its authorized agents. Software used in connection with the Company's business must be properly licensed and used only in accordance with that license.

d. Information Technology

The Company's information technology systems, including computers, e-mail, intranet and internet access, telephones and voice mail are the property of the Company and are to be used primarily for business purposes. The Company's information technology systems may be used for minor or incidental personal messages provided that such use is kept at a minimum and is in compliance with Company policy.

Employees, officers, and directors may not use the Company's information technology systems to:

- Allow others to gain access to the Company's information technology systems through the use of an employee's password or other security codes;
- Send harassing, threatening or obscene messages;
- Send chain letters;
- Access the internet for inappropriate use;
- Send copyrighted documents that are not authorized for reproduction;
- Make personal or group solicitations unless authorized by a senior officer; or
- Conduct personal commercial business.

The Company may monitor the use of its information technology systems.

VIII. COMPLIANCE WITH THE CODE

a. All Employees are to Read and Comply with the Code

The Company will monitor compliance with the Code by requiring each director, officer, and employee to review and understand the Code and acknowledge that they will comply with the Code.

b. Reports and Complaints

As an employee if you believe that a violation of the Code or any law rule or regulation has been or is likely to be committed by you or someone else who is a representative of the Company, you have an obligation to promptly report the relevant information to your supervisor, since your supervisor will generally be in the best position to resolve the issue. If an employee is unsure about the best course of action to take with respect to a particular situation, the employee is encouraged to seek guidance, using the procedures set forth in the Company's Whistle Blower Policy. Employees who become aware of, or have any questions with respect to, any violation or potential violation of any law, rule, or regulation or of this Code, or have any concerns with respect to accounting, internal controls, or auditing matters, are required to promptly report it in accordance with the Company's Whistle Blower Policy. Any reports submitted hereunder and thereunder will be promptly and thoroughly investigated and addressed in accordance with the Whistle Blower Policy.

Directors should report violations to the Chairman of the Board, or to the relevant committee chair.

Confidentiality of reported violations will be maintained to the fullest extent possible, consistent with the need to conduct adequate investigation and subject to law.

The Company will impose discipline for each Code violation that fits the nature and facts of the violation. The Company also reserves the right to discipline employees who make accusations of Code violations that are frivolous, if they are made for retaliatory reasons, or made without a reasonable good faith belief in the truth and accuracy of the information, or if a person knowingly makes a false accusation.

Certification

I, John Swallow, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q 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: May 16, 2022

By: /s/ John Swallow
John Swallow
Chief Executive Officer

Certification

I, Grant Brackebusch, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q 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: May 16, 2022

By: /s/ Grant Brackebusch
Grant Brackebusch
Chief Financial Officer

**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 Quarterly Report of New Jersey Mining Company, (the "Company") on Form 10-Q for the period ending March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Swallow, Chief Executive Officer and Director 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: May 16, 2022

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-Q

**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 Quarterly Report of New Jersey Mining Company, (the "Company") on Form 10-Q for the period ending March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Grant Brackebusch, Chief Financial Officer and Director 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: May 16, 2022

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-Q

Mine Safety Disclosures

Our mines are operated subject to the regulation of the Federal Mine Safety and Health Administration (“MSHA”), under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”). In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) was signed into law, and amended in December 2011. When MSHA believes a violation of the Mine Act has occurred, it may issue a citation for such violation, including a civil penalty or fine, and the mine operator must abate the alleged violation.

As required by the reporting requirements of the Dodd-Frank Act, as amended, the table below presents the following information for the quarter ended March 31, 2022.

Mine	Section 104 S&S Violations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b)(2) Violations	Section 107(a) Orders	Total Dollar Value of MSHA Assessments Proposed	Total Number of Mining Related Fatalities	Received Notice of Pattern of Violations Under Section 104(e)	Received Notice of Potential to have Under Section (c)	Legal Actions Pending as of Last Day of Period	Legal Actions Initiated During Period	Legal Actions Resolved During Period
Golden Chest	0	0	0	0	0	\$ 399	0	no	no	0	0	0
New Jersey Mill	0	0	0	0	0	\$ 0	0	no	no	0	0	0

IDAHO STRATEGIC RESOURCES, INC.

(the "Company")

CHARTER OF THE AUDIT COMMITTEE

I. PURPOSE

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of the Company to assist the Board in fulfilling its oversight responsibilities relating to the Company's financial reporting, financial control, risk management and shareholder communications as required by a publicly traded company in the United States or elsewhere, as the case may be.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the independent auditors as well as any officer(s) of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Company, its subsidiaries and joint ventures, and shall have the authority, which it may exercise unilaterally or concurrently with the Company's chief executive officer (the "**CEO**") or the Board, to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and shall submit any proposed amendments to the Board for approval.

II. RESPONSIBILITIES**A. Independent Auditors**

1. The Committee shall recommend to the Board the independent auditors to be nominated for appointment or re-appointment by the shareholders, review the appropriateness and reasonableness of the proposed audit fees and require the independent auditors to report directly to the Committee.
2. The Committee shall oversee the work of the independent auditors, including the resolution of all disagreements between management and the independent auditors regarding financial reporting.
3. The Committee shall obtain timely reports from the independent auditors describing (i) critical accounting policies and practices, (ii) alternative treatments of information within generally accepted accounting principles that were discussed with management, the ramifications of such alternative treatments, and the treatment preferred by the independent auditors, (iii) the introduction of new accounting standards as proposed by the American Institute of Certified Public Accountants, (iv) all material written communications between the Company and the independent auditors, (v) planning and staffing of the audit, and (vi) whether the independent auditor has received the full co- operation of management and the Company, any difficulties encountered in the course of the audit work, any restrictions imposed on the scope of activities or access to requested information or any significant disagreements with management and management's responses.

4. The Committee shall pre-approve or approve, if permitted by law, the appointment of the independent auditors to provide any audit service or non-prohibited non-audit service and, if desired, establish detailed policies and procedures for the pre-approval of audit services or non-prohibited non-audit services by the independent auditors. The Committee may delegate this responsibility to one or more members of the Committee to the extent permitted by applicable law provided that any pre-approvals granted pursuant to such delegation must be detailed as to the particular service to be provided, may not delegate Committee responsibilities to management and must be reported to the full Committee at its next scheduled meeting.
5. The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former independent auditors of the Company.
6. At least annually, confirm that the independent auditors have submitted a formal written statement describing all of their relationships with the Company; discuss with the independent auditors any disclosed relationships or services that may affect their objectivity and independence; obtain written confirmation from the independent auditors that they are objective within the meaning of the rules of professional conduct/code of ethics applicable to them and is an independent public accountant within the meaning of the federal securities legislation administered by the United States Securities and Exchange Commission, and is in compliance with any independent requirements adopted by the Public Company Accounting Oversight Board; and confirm that the independent auditor has complied with applicable laws with the rotation of certain members of the audit engagement team.
7. The Committee shall make inquiries that the auditors are in good standing with the Public Company Accounting Oversight Board.
8. The Committee shall be responsible, where there is to be a change in auditors, to review the issues related to the change and the information to be included in the required notice to be filed with the securities regulators with respect to such change.

B. Financial Accounting and Reporting Process

1. Prior to disclosure to the public, review and, where appropriate, recommend for approval to the Board, (i) the annual audited financial statements, (ii) the quarterly interim unaudited financial statements, (iii) the annual and interim management discussion and analysis (MD&A), and (iv) earnings news releases and all other audited or unaudited financial information contained in public disclosure documents.

2. From time to time the Committee shall have the authority to approve interim financial statements, interim MD&A and other such interim documents related to the interim filings on behalf of the full Board. In the situation where this occurs, the full Board shall receive all documents relating to the filing and such briefing papers as was presented to the Committee.
3. The Committee shall meet no less frequently than annually with the independent auditors and the CEO or, in the absence of a chief financial officer (“CFO”), with the officer of the Company in charge of financial matters, to review accounting practices, internal control functions and such other matters as the Committee, CFO or, in the absence of a CFO, the officer of the Company in charge of financial matters, deems appropriate.
4. The Committee shall be satisfied that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements and periodically assess the adequacy of these procedures.
5. The Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
6. The Committee shall inquire of management and the independent auditors about significant financial risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to mitigate such risks as appropriate.
7. The Committee shall review the post-audit or management letter containing the recommendations of the independent auditors and management’s response and subsequent follow-up to any identified weaknesses.
8. The Committee shall provide oversight to related party transactions entered into by the Company.
9. While the Company does not restrict the ability of its members to serve on the audit committee of other public companies contemporaneously with serving as a member of the Committee, the Committee shall reserve the right to periodically review the number of such other commitments with a view to ensuring that its members have the availability and capacity to perform their responsibilities.
10. The Committee will review with the CEO and the CFO the Company’s disclosure controls and procedures and at least annually will review management’s conclusions about the efficacy of disclosure controls and procedures, including any significant deficiencies or material non-compliance with disclosure controls and procedures.

In connection with its review of the annual audited financial statements and quarterly financial statements, the Committee will also review the process for the CEO and CFO certifications with respect to the financial statements and the Company's disclosure controls and internal controls, including any material deficiencies or changes in those controls. The Committee will review the disclosures made to the Committee by the Company's CEO and CFO during their certification process. In particular, the Committee will review with the CEO, CFO and independent auditors: (i) all significant deficiencies and material weaknesses in the design or operation of the Company's internal control over financial reporting that could adversely affect the Company's ability to record, process, summarize and report financial information required to be disclosed by the Company in the reports that it files or submits under the United States Securities Exchange Act of 1934, as amended, within the required time periods, and (ii) any fraud, whether or not material, that involves management of the Company or other employees who have a significant role in the Company's internal control over financial reporting.

The Company shall provide for appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for payment of: (i) compensation to the independent auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, (ii) compensation to any advisors employed by the Committee, and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

C. Other Responsibilities

1. The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.
2. Prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's management information circular.

III. COMPOSITION AND MEETINGS

1. The composition of the Committee and its members shall meet all applicable legal, regulatory and listing requirements, including, without limitation, provincial, federal and state securities laws, the listing requirements of the NYSE American.
2. The Committee shall be composed of two or more directors as shall be designated by the Board from time to time, one of whom shall be designated by the Board to serve as Chair.
3. All members of the Committee shall be "independent" and shall meet the independence requirements of subparagraph b.1.ii of Rule 10A-3 adopted under the Securities Exchange Act of 1934). In addition, each member of the Committee shall be "financially literate" and shall meet the financial literacy requirements of the NYSE American Exchange. At least one member shall be an "audit committee financial expert" (as defined in Regulation S-K, Item 407(d)(5)).
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.

5. If within one-half of an hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same time on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one-half of an hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same time on the next business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
8. Any member of the Committee may participate in a meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a recording secretary at any meeting.
10. The Committee may invite its independent auditors and such officers, directors and employees of the Company and its subsidiaries as it may see fit, from time to time, to attend meetings of the Committee.
11. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

IDAHO STRATEGIC RESOURCES, INC.

(the "Company")

CHARTER OF THE COMPENSATION COMMITTEE

I. PURPOSE

The Compensation Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of the Company to assist the Board in fulfilling its oversight responsibilities relating to compensation.

The Committee has the authority to oversee the development and administration of compensation philosophies and competitive policies; to recommend to the Board the compensation arrangements; to make recommendations to the Board regarding all new employment related agreements and arrangements; and to administer the Company's stock option plans. The Committee has the authority to retain, at the expense of the Company, special consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part III of this Charter.

II. AUTHORITY OF THE COMPENSATION COMMITTEE

The Committee shall have the authority to:

- a) engage independent counsel, independent compensation advisor and other advisors as it determines necessary to carry out its duties; and
- b) set and pay the compensation for advisors employed by the Committee.

III. RESPONSIBILITIES

1. The Committee shall oversee the development and administration of competitive policies (including policies dealing with recruitment, compensation, benefits and training) designed to attract, develop and retain employees of the highest standards at all levels.
2. The Committee shall review the results of the evaluation of the performance of other senior officers by the chief executive officer and recommend to the Board the compensation arrangements (including basic, annual and long-term incentives and benefits) for individual senior officers, in consultation with the chief executive officer and also the compensation for directors of the Company.

3. The Committee shall conduct and report to the Board regarding an annual performance review of the chief executive officer, including a review of the corporate goals and objectives relevant to the compensation of the chief executive officer, an evaluation of the performance of the chief executive officer in light of those goals and objectives and determination of the chief executive officer's compensation based on this evaluation (in reviewing the long-term incentive component of the chief executive officer's compensation, the Committee shall consider, without limitation, the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, and awards given to the chief executive officer of the Company in previous years).
4. The Committee shall review and make recommendations to the Board regarding the Company's stock option plans and any programs or similar arrangements that the Company establishes for its directors, employees and consultants (collectively, the "**Plans**") and review the appropriateness of the allocation of benefits under the Plans and the extent to which the Plans are meeting their intended objectives and, as appropriate, recommend that the Board make modifications to the Plans.
5. The Committee shall administer the Plans in accordance with their terms, construe all terms, provisions, conditions and limitations of the Plans and make factual determinations required for the administration of the Plans.
6. The Committee shall review and make recommendations to the Board regarding all new employment, consulting, retirement and severance agreements and arrangements proposed for the Company's senior officers and periodically evaluate existing agreements with the senior officers for continuing appropriateness.
7. The Committee shall adopt and periodically review a comprehensive statement of senior officer compensation philosophy, strategy and principles that has the support of management and the Board, and administer the Company's compensation program fairly and consistently in accordance with this articulated compensation philosophy.
8. The Committee shall prepare or cause to be prepared a report to be included in the Company's management information circular or annual report dealing with executive compensation policies and programs, including the factors and criteria on which executive compensation for the previous fiscal year was based and the relationship of the Company's performance to such compensation.
9. The Committee shall review and stay abreast of the Company's management succession program for senior officer positions and ensure that the Board is informed of its status.
10. The Committee shall select peer groups of issuers that shall be used for purposes of evaluating the appropriateness of its compensation packages.

11. The Committee shall review the results of any periodic employee opinion surveys.
12. The Committee shall prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's management information circular.
13. The Committee shall determine appropriate funding for payment of reasonable compensation to a compensation consultant, independent legal counsel or other advisor retained by the Committee.
14. Prior to selecting a compensation consultant, independent legal counsel, or other advisor, the Committee shall take into consideration, subject to the exceptions set forth in the Commentary to Section 805 of the NYSE American Company Guide, all factors relevant to that person's independence from management, including those set forth in Section 805 of the NYSE American Company Guide and the SEC approved SRO listing standards addressing Compensation Committees.
15. The Committee shall be directly responsible for the appointment, compensation and oversight of any compensation consultant, independent legal counsel or other advisor retained by the Committee.
16. The Committee shall perform such other functions as may, from time to time, be assigned to the Committee by the Board.

IV. COMPOSITION AND MEETINGS

1. The composition of the Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, provincial, federal and state securities laws, the listing requirements set forth in the NYSE American LLC Company Guide, including the independence requirements set forth in Section 805(c)(1) of the NYSE American Company Guide, and the rules and regulations of all applicable securities regulatory authorities.
2. The Committee shall be composed of two or more directors as shall be designated by the Board, from time to time, one of whom shall be designated by the Board to serve as Chair.
3. Each member of the Committee shall be independent within the meaning of applicable securities law and stock exchange rules (including the listing requirements of the NYSE American LLC Company Guide and the SEC approved SRO listing standards addressing compensation committees).
4. The Committee shall meet annually or more frequently as deemed prudent at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.

5. If within one-half of an hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same time on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinafter specified is not present within one-half of an hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same time on the next business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings shall be determined, from time to time, by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, e-mail or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
8. Any member of the Committee may participate in a meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Company and its subsidiaries as it may see fit, from time to time, to attend meetings of the Committee.
11. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.
12. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

IDAHO STRATEGIC RESOURCES

(the "Company")

CHARTER OF THE CORPORATE GOVERNANCE
AND NOMINATING COMMITTEE**I. PURPOSE**

The Corporate Governance and Nominating Committee (the "**Committee**") is a committee of the Board of Directors (the "**Board**") of the Company. Its primary function is to assist the Board in fulfilling its oversight responsibilities by:

- (a) Assessing the effectiveness of the Board as a whole, the committees of the Board, and the contributions of their individual members;
- (b) Assessing and improving the Company's governance practices;
- (c) Reviewing and assessing the qualifications of nominees to the Board including nominees to fill vacancies arising from the death, disability or resignation of a member; and
- (d) Orienting new directors.

II. COMPOSITION AND MEETINGS

The Committee shall be comprised of three or more directors as shall be designated by the Board from time to time, one of whom shall be designated by the Board to serve as Chair, to serve until the member ceases to be a director, resigns or is replaced, whichever first occurs. Any member may be removed or replaced at any time by the Board. Two members of the Committee (majority) shall be independent within the meaning of applicable securities laws and stock exchange rules (including the listing requirements of the NYSE American Company Guide).

Each member will have, to the satisfaction of the Board, sufficient skills and/or experience which are relevant and contribute to the carrying out of the mandate of the Committee.

The Committee shall meet at least once per annum or more frequently as deemed prudent at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legao or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.

The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

III. RESPONSIBILITIES AND DUTIES

The responsibilities, duties and powers of the Committee shall include:

A. GOVERNANCE RESPONSIBILITIES

1. Annual review and revision of this Charter as necessary, with the approval of the Board.
2. Review on a periodic basis, the size and composition of the Board and its committees.
3. Assess, at least annually, the effectiveness of the Board as a whole, committees of the Board and the contribution of individual directors.
4. Keep up to date with regulatory requirements and other new developments in corporate governance (including the provisions of Section 14 of the Securities Exchange Act of 1934 governing the solicitation of proxies, the disclosure requirements of Regulation S-K adopted under the Securities Exchange Act, as they pertain to persons nominated to be directors, and related rules and regulations promulgated by applicable securities regulators and the securities exchanges on which the Company's capital stock is listed for trading), and review the quality of the Company's governance and suggest changes to the Company's governance practices as determined appropriate to the Board.

B. NOMINATING RESPONSIBILITIES

1. Establish qualifications and skills necessary for members of the Board (as well as skills and competencies the Board needs as a whole) and procedures for identifying possible nominees who meet these criteria (and who are likely to bring to the Board the skills and qualifications the Board needs as a whole).
 2. Establish procedures for identifying possible nominees who meet the criteria.
 3. Review and assess the qualifications of nominees and recommend to the Board qualified individuals for election or re-election as directors at the annual meeting of shareholders or to fill a vacancy between annual meetings. In making this recommendation, the Committee will consider the competencies and skills necessary for the Board, as a whole, the competencies and skills of existing directors and the competencies and skills that a proposed director-nominee will bring to the Board. The Committee will also consider whether or not each director or proposed director-nominee can devote sufficient time and resources to his or her duties as a member of the Board.
 4. Confirm that procedures are in place to provide new directors with an appropriate orientation to both the Company and their responsibilities and duties as directors and to provide directors with appropriate continuing education opportunities.
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C. REPORTING AND OTHERS

1. The Committee is responsible for reviewing and submitting to the Board, as a whole, recommendations concerning the Company's corporate governance performance and processes.
2. The Committee will record minutes of its meetings and, through its Chairman, report periodically to the Board.
3. The Committee may, from time to time, hire and remunerate outside professionals to assist or advise the Committee in carrying out its mandate.

IDAHO STRATEGIC RESOURCES

(the "Company")

WHISTLE BLOWER POLICY

I OBJECTIVE AND SCOPE

The Company is committed to the highest standards of openness, honesty, and accountability that its various stakeholders are entitled to expect. References herein to the Company include any subsidiaries of the Company.

As a result, the Company wants to know about any and all dishonest, fraudulent or unacceptable behavior, conduct or practices committed by the Company's employees regarding employee use of company assets, employee transactions with other companies while acting on behalf of the Company, accounting matters generally, internal accounting and/or controls, the conduct of the audit of its financial accounts and statements or related matters, or other "non-financial" matters and actions, which, if disclosed, could reasonably be expected to raise concerns regarding the integrity, ethics or bona fides of the Company (a "Questionable Event") and expects its employees to feel confident about disclosing and reporting on any concerns they may have about any Questionable Event they become aware of.

In accordance with the Company's commitment set out above, this Policy is meant to provide a simple procedure to facilitate the receipt, retention, review and resolution of complaints, denunciations, warnings, given in any form by any employee of the Company, regarding a Questionable Event.

II BACKGROUND AND EMPLOYEE ALERT PROCEDURE

This Policy is intended to encourage and enable employees to voice their concerns regarding any Questionable Event within the Company rather than ignoring them or, ultimately, feeling compelled to deal with the Questionable Event outside the Company due to a lack of the availability of the mechanism provided hereunder.

Any employee who finds his concerns about a Questionable Event not satisfactorily addressed by his immediate supervisor (or higher-ranking persons) or who feels that the seriousness and sensitivity of the issues or people involved require that the reporting of such Questionable Event should neither be addressed to the attention of his immediate supervisor, nor follow the normal corporate reporting channels, should contact the Company's Employee Alert Officer who will notify the independent board member and Audit Committee Chair, by any of the following methods:

Telephone: 208-625-9001

Email: info@idahostrategic.com

Any concerns regarding financial statement disclosures, accounting, internal accounting controls or auditing matters, should also be directed to the Employee Alert Officer.

III. SAFEGUARDS AGAINST RETALIATION, HARASSMENT OR VICTIMIZATION

The Company understands and acknowledges that one's decision to report a Questionable Event can be a difficult one to make. Employees who raise serious concerns should have nothing to fear. Therefore, the Company shall not tolerate any retaliation, harassment, or victimization (including informal pressures) and shall take appropriate action to protect employees who raise any concerns under this Policy in good faith (a "Concerned Employee").

IV. CONFIDENTIALITY

All expressions of concerns or reports on Questionable Events within the Company, filed with the Employee Alert Officer pursuant to this Policy, will proceed internally on a confidential basis.

V. ANONYMOUS ALLEGATIONS

All expressions of serious concerns or reports on Questionable Events within the Company filed with the Employee Alert Officer on an anonymous basis will also be treated appropriately.

VI. UNTRUE ALLEGATIONS

In the event that, in good faith, a Concerned Employee reports a Questionable Event that is not confirmed by subsequent investigation or otherwise, no action shall be taken against such Concerned Employee. Conversely, in the event a Concerned Employee reports a Questionable Event for frivolous or malicious purposes or for his or her personal gain, the appropriate disciplinary or legal action will be taken against such Concerned Employee, including possible dismissal for cause.

VII. HOW TO RAISE A CONCERN

Concerns may be raised with the Employee Alert Officer verbally or in writing (including by e-mail).

Concerned Employees who wish to make a written report are asked to provide:

- the background and history of the Questionable Event (giving relevant dates);
- the reasons prompting the particular concern about the situation;
- the extent to which the Concerned Employee has personally witnessed or experienced the Questionable Event (providing documented evidence where possible).

VIII. RECORDS AND REPORTING

The Employee Alert Officer will maintain a record of concerns raised and the outcomes (but in a form which does not endanger the confidentiality of a Concerned Employee's identity where necessary) and will report to the Chairman of the Board or the entire Board of Directors of the Company, having regard to the nature of the Questionable Event raised and whether or not it relates to the financial position and/or financial statements and/or disclosures of the Company or to other "non-financial" matters related to the Company.

IX. INVESTIGATION

The Chairman of the Board or the Board (or a Committee of independent directors so designated by the Board), shall determine the steps and procedures to be taken to address the concern appropriately and whether an investigation is appropriate and, if so, what form such investigation should take as well as other parameters (for example whether external investigators should be employed, the timing of such investigation and other such matters as are deemed appropriate under the circumstances).

Except, of course, in the case of anonymous allegations, the Concerned Employee will be informed of the outcome of any investigation and/or any treatment of his or her claim or notice.

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